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ABSTRACT

This study examines the quality of California's K-12 education, discussing how the system protects mediocrity and how to improve educational quality in the state. It explains that what most ails the teaching force is that excellent teachers are not rewarded for superior work, and failing teachers are rarely held accountable for poor performance. Part 1, "Teacher Quality: Myths and Reality," discusses: teachers as the most important factor in student achievement; teacher salaries; teacher tenure and dismissal; teacher shortage; and teacher hiring and assignment. Part 2, "California's Experience in Failure," includes such topics as: an innovative design or a failed status quo, peer review and its flawed model, and state and district management of teachers (a lesson in failure). It also provides examples from several school districts. Part 3, "How to Improve Teacher Quality," discusses: responses from politicians and government; enhanced accountability (letting principals take charge); replacing teacher tenure with performance contracts; paying teachers based on performance; implementing differential pay to attract specialists in high-demand subject areas; streamlining the process of dismissing incompetent teachers; providing teachers with more professional opportunities; implementing broader choice to instill effective management; and moving toward a future that works. (Each session contains notes.) (SM)

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Unsatisfactory Performance

How California's K–12 Education System Protects Mediocrity and How Teacher Quality Can Be Improved

by Thomas C. Dawson and K. Lloyd Billingsley

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Executive Summary

Teachers are the primary agent in any child's education. More than any other component, teacher effectiveness helps determine whether students receive a quality education, or if children are relegated to classrooms where learning is rare and the prospects for a productive and successful future often die. The issues outlined in this study are, therefore, critical to the future of our nation's children.

Shortages and Standards

Unsatisfactory Performance finds that, contrary to prevailing beliefs, what most ails the teacher force is not a general shortage of qualified candidates, or inadequate government support. The real problem is that excellent teachers are not rewarded for their superior work, and failing teachers are rarely held accountable for their poor performance.

Teachers deserve the same performance-driven compensation system that exists in other professions. Good teachers have nothing to fear from results-based school reform. Under the current system, crucial staffing decisions, like teacher assignment, evaluation, and dismissal, are taken out of principals' hands and codified in state law or collective bargaining agreements.

If the quality of the teacher force is to improve, teachers must be held accountable for their performance, and schools must be allowed to manage their own affairs. This is especially true in California, where schools are highly regulated on the district and state levels, but students continue to rank at the bottom on nationwide tests.

Despite the abundance of red tape, California schools suffer from a gaping accountability lapse. Teacher pay is not tied to performance, and salaries are the same for all teachers – good and bad alike. Salary schedules are largely based on degrees and credentials, rather than classroom performance. California's disastrous record suggests that school districts should provide incentives that encourage teachers to be successful in the classroom. Empirical evidence supports this view.

Bargaining for Failure

State policymakers have proven unable to cope with the many problems afflicting California schools. They have passed a wide range of reforms without measuring the impact on student performance. Further, the problems confronting the state's public schools are unevenly distributed. For example, while most districts have enough qualified teachers, approximately 20 percent of California districts, usually in poor areas with large minority populations, face acute shortages in crucial subject areas such as math and science. Restrictive collective bargaining agreements prevent principals from implementing meaningful teacher evaluations with consequences for failure.

Unsatisfactory Performance documents how the state's teacher-tenure law ensures lifetime job security. In order to fire an incompetent tenured teacher, school districts must comply with a costly and time-consuming process that discourages administrators from moving forward with dismissals. Across the state, between 1990 and 1999, only 227 cases reached the final phase of the dismissal process. If all these cases occurred during one year, it would represent one-tenth of one percent of tenured teachers in the state. Yet this number was spread out over an entire decade, and not all of the cases that reached the end of the process resulted in firings (the state maintains no data on dismissals of tenured teachers). Thus, the actual number of tenured teachers fired for poor performance is probably lower, a virtual proxy for zero. In Los Angeles alone, over the same time period, only one teacher went through the dismissal process from start to finish.

While teacher firings are non-existent, district teacher contracts control almost every aspect of school management. Principals are not held accountable for performance and, under the existing arrangement, cannot be. In California, which has a statewide collective bargaining law, key staffing decisions are taken from principals' hands and negotiated between local school boards and teacher unions. In many instances, issues ranging from textbooks to class size are not decided at the school level, but by union negotiators and district officials.

The Path to Reform

In order to improve teacher quality, California lawmakers must bridge the accountability gap by enacting several reforms the report describes, including:

- **Introduce performance incentives for teachers.** Teachers should be rewarded if the performance of their students improves.
- **Replace the ossified teacher tenure system with performance contracts for teachers and principals.** This will ensure that school employees are held accountable for the performance of their students. The dismissal of failing teachers should be changed from an impossibility to a practical reality.
- **Implement differential pay for the state's public school teachers to compensate for the uneven distribution of teachers across academic subjects.** If a school requires more science teachers than art instructors, then the law of supply and demand should apply, as it does in other professions.

In order for these and other common-sense reforms to take hold, school principals must be able to exercise greater control in hiring and firing teachers, while being held accountable for the decisions they make. Rigid collective bargaining agreements that centralize decision-making and have a profound impact on the distribution of resources, not to mention contributing to the declining levels of student achievement, must be amended and made more flexible. If districts continue to hire and assign incompetent teachers who fail to educate students, all parents should have the right to take their children elsewhere.

Serious reforms with any chance of success demand bold decisions. Siding with the failed status quo amounts to unsatisfactory performance and is no longer an option for those who claim they have the best interests of children at heart. Policymakers should opt for the accountability and standards that put the needs of children above the demands of an irresponsible system.

Introduction

The Question of Teachers

Teachers, not administrators or politicians, are the primary agent in the education of any student, sometimes surpassing even the influence of parents. Many adults can recall an influential teacher, eager to impart wisdom and knowledge, who took an interest in the well being of students far beyond the call of duty. The influence of such teachers often outlasts the student's formal education.

Students in El Cajon Valley High School, near San Diego, knew teachers like that, dedicated, disciplined, and always ready to answer the questions that inevitably arise. But in the classroom of Juliet Ellery, one of the school's veteran English teachers, things proved different.

When students posed questions, Ellery refused to answer. That dereliction of duty was troublesome enough but the teacher responded by demeaning and insulting the students. She also refused to adhere to lesson plans.

"I have never seen a teacher that bad and the thing that was most damning about her was the complete unwillingness to accept any reason to change," said Principal Arthur Pegas.[1] Parents did not want their children in Ellery's class and the students themselves took up a petition to have her dismissed. Though rare, as such actions go, the students' demand was entirely reasonable.

"...the refusal to perform the job for which one is hired is normally considered grounds for dismissal."

In a free and civil society under the rule of law, the refusal to perform the job for which one is hired is normally considered grounds for dismissal. No hospital, for example, would be likely to retain a nurse who refused to draw blood samples or take patients' temperatures. The Boeing Corporation could not be expected to keep an employee who thought that the proper installation of landing gear or navigation equipment was an optional procedure, however vigorous their protestations on being told otherwise. Too much is at stake, just as it is with the education of children.

When it became evident that Juliet Ellery was determined to add permanent inflexibility to her incompetence, the Grossmont Union High School District moved to dismiss her. Those who expected an open-and-shut case were about to receive an advanced course in the system's problems, which are at the heart of education woes in California and across the nation. It is a system designed to protect, not remove,

incompetent teachers, whatever the consequences for those students subjected to unsatisfactory performance.

The district spent four years compiling what it thought to be overwhelming evidence against Ellery, who fought her dismissal, going so far as an attempt to gain a hearing in front of the United States Supreme Court. The district's evidence against her filled two thick volumes but the local teacher union gave her a glowing review and even supplied her defense. The district wound up spending eight years trying to fire Ellery, during which time they spent more than $300,000 on legal fees and the teacher herself spent a full year on paid administrative leave.

Though Ellery was eventually dismissed, she refused to admit to any wrongdoing. In 1994, her teaching credential was suspended, but only for one year, after which she duly returned to teaching.[2] And her case is neither unusual nor new. Consider a history teacher in Berkeley, California, hired in 1959 and tenured in 1964. The problem with this teacher was that, like Juliet Ellery, she actually declined to teach.

She never gave students assignments and, when she showed movies in class, conducted no discussion. She would sit at her desk and read novels, occasionally falling asleep. Her students would tell their parents that she never said anything in the class about history beyond "the assignment is on the board." One parent raised the issue with her.

"That's right," she said, explaining that by the sixth period (not the last period of the day) the kids were too tired to focus. The parent pressed the case that this was unacceptable behavior. She then explained that they were too "hyper" for her to speak to them. The teacher, who was being paid at the highest possible rate, responded that, though it was not written anywhere, teachers were told over and over that they could not leave anybody behind. "The best thing to do is let them go at their own pace," she said. The parent, a professional man who had been educated in public schools, was having none of it.

He pressed the case with the principal, who informed him that attempts had been made to fire this teacher before, but without success. "I know your concern," the principal said, "but it's virtually impossible to get rid of a tenured teacher." In the face of continued complaints, the principal did get rid of her, but not through dismissal. They paid her to go away by fattening her already generous retirement package.[3]

While such cases show that a teaching credential provides no exemption from human failures, they obviously represent an exception to the rule. Most teachers are dedicated professionals in a difficult field, in a culture not distinguished for imparting a hunger for erudition, and in which scholarly achievement often carries a social stigma. But these stories, what defenders of the educational status quo dismiss as "anecdotal evidence," nevertheless raise serious questions that do not always find satisfactory answers.

This study seeks to provide the answers, beginning with some hard realities. In California, the venue for the study and the nation's most populous state, student performance is abysmal.

In 1998, only 20 percent of the state's fourth-graders scored "proficient" on the National Assessment of Educational Progress (NAEP) reading exam, while 52 percent scored "below basic," the lowest ranking. Hawaii was the only state that fared worse.[4] Among California eighth-graders, a scant 22 percent scored "proficient" while a meager 36 percent scored "below basic," ranking the state third from the bottom.[5] Results from the 1996 NAEP math exams were equally disappointing.

Just 12 percent of California fourth-graders scored "proficient" on the test, while 54 percent languished below basic. Only Guam, Mississippi, Louisiana, and the District of Columbia were worse.[6] Only 20 percent of California eighth-graders scored "proficient," while 49 percent were "below basic," once again sinking California like a stone to the bottom tier.[7] Perhaps most depressing, California's performance on both NAEP tests had worsened since the previous round of exams. Also, the state's dismal performance does not just affect under-privileged children. Among fourth-graders whose parents had graduated from college, 39 percent scored "below basic" on the NAEP math test, more than double the percentage who scored "proficient" or above.[8]

Unlike the horror stories surrounding teachers, these test results escaped neither publicity nor rhetoric. Local, state, and federal authorities have spent billions and tried a host of reforms, from class-size reductions to new math standards, in the hopes of boosting achievement. But as the NAEP tests indicate, previous reform efforts have done little to spur improved performance. That may be because they are focusing too much on symptoms rather than the actual source of the problem.

As noted at the outset, teachers are the primary agent of education. To what extent are incompetent teachers part of the problem? By what means does the state measure competence, and is it adequate? What are the mechanisms for the dismissal of incompetent teachers, and how do those affect California's educational woes? How many incompetent teachers have, in fact, been dismissed? As various politicians and teacher unions claim, are teachers underpaid? And as many also claim, does the nation face a teacher shortage?

The authors of this study share the beliefs that current low levels of achievement are unacceptable and that improvement is desirable and possible, both in the short and long term. Such improvement, however, will require vision, leadership, and tough decisions from those who set policy for the state and nation.

With so much at stake, those decisions must be based on sound information. Finding, interpreting, and publishing that information, to the fullest extent possible, is the purpose of this study.

Part 1 — Teacher Quality: Myths and Reality

Teachers: The Most Important Factor in Student Achievement

Statistician William L. Sanders, former director of the Value-Added Research and Assessment Center at the University of Tennessee, has helped pioneer a new approach to evaluating teacher quality based on how students perform in individual teachers' classrooms.

In 1992, as part of a major reform package, the Tennessee legislature adopted Sanders's plan to track the performance of every public elementary-school teacher annually in the state's school system. Since that time, Sanders has grouped 30,000 teachers into quintiles according to their effectiveness. He specifically examines the "value-added" that teachers contribute to students' academic achievement over the course of the school year, and ranks instructors based on their ability to improve test score gains among their students.[9]

J.E. Stone, an education professor at East Tennessee State who has studied Sanders's value-added methodology, says the approach is "one based not on traditional input indicators such as training and experience but on demonstrated results, i.e. student learning. It is a measure of educational effectiveness that promises to revolutionize education."[10]

"We've been able to demonstrate that ethnicity, poverty, and affluence can no longer be used as justifications for the failure to make academic progress."

– William L. Sanders
Former Professor,
University of Tennessee

According to Sanders's research, on average, the least effective teachers from the lowest quintile produce learning gains of about 14 percentile points among low-achieving students during the school year. Meanwhile, the most effective teachers from the highest quintile post gains of 53 percent among low-achieving students. The differences in teacher effectiveness also hold for middle- and high-achieving students. Sanders finds that differences in teacher effectiveness are long lasting.

As part of his research, he tracked two comparable groups of third-graders, one of which was assigned to three successive teachers from the lowest quintile versus the other which was assigned to three teachers from the top quintile. By the end of fifth grade, the group assigned to the least effective teachers realized gains of 29 percent, while the group assigned to the most effective teachers posted gains of 83 percent—a gap of more than 50 percent just three years after both groups were at the same achievement level.[11] The results of Sanders's research are conclusive.

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Teachers are clearly the most important factor affecting student achievement. Sanders compares the importance of teacher effectiveness with other variables such as class size, whether schools are urban, suburban, or rural, ethnic makeup, and the percentage of children eligible for subsidized lunches. Teacher effectiveness is 10 to 20 times as significant as these other factors. According to Sanders, "we've been able to demonstrate that ethnicity, poverty, and affluence can no longer be used as justifications for the failure to make academic progress."[12] Sanders's findings are not limited to Tennessee.

Dr. Eric Hanushek, a senior fellow at the Hoover Institution and the nation's foremost education economist, has found that "the estimated difference in annual achievement growth between having a good and having a bad teacher can be more than one grade-level of achievement in test performance."[13]

"About one third of my teachers should not be teaching."

– Boston, MA School Principal

A recent study by the Dallas Independent School District finds that the average reading scores of a group of fourth graders who were assigned to three highly effective teachers consecutively rose from the 59th percentile in fourth grade to the 76th percentile by the end of sixth grade. Another group of similar but slightly higher achieving fourth graders was assigned to three consecutive ineffective teachers. This group saw its scores decline from 60 percent at the beginning of fourth grade to the 42nd percentile by the end of sixth grade – a gap of some 34 points. The difference was even more pronounced with a group of Dallas third-graders that started at the 55th and 57th percentiles on the district's math test, respectively. After being assigned to three effective teachers, one group saw its scores rise from 55 to 76 percent, while the other, after being assigned to three under-performing instructors, saw its scores fall from the 57th percentile to the 27th—a difference of 50 points.[14]

In Boston, the local district contracted with Bain and Company, a major management consulting company, to evaluate its teachers' success in boosting achievement in the classroom. Bain examined Boston 10th graders whose average test scores were roughly the same and tracked their progress over the year. The evaluation revealed that students with the top third of teachers saw their scores increase 5.6 percent, still below the national average of eight percent. However, those students with the bottom third of teachers experienced virtually no growth in aptitude, just 0.3 percent.

In math, students with teachers from the top tier performed better than the national average, with scores improving by 14.6 percent compared to 11 percent nationally. Students with teachers from the bottom third actually saw their performance worsen by 0.6 percent.

Said one frustrated Boston principal, "about one third of my teachers should not be teaching."[15] But while the evidence finds that teachers are the crucial determinant in their students' success, teacher quality is a politically-charged issue.

In November 1999, ABC's "20/20" aired a piece by reporter John Stossel which rigorously examined teachers' on-the-job performance. Stossel's piece criticized

teacher unions for spending millions to "educate" the public on what a good job the nation's teachers were doing, while their students' performance told a radically different story.

Stossel interviewed administrators, students, and teachers. When former New York City schools chief Rudy Crew was asked if it were easy to dismiss an incompetent instructor in his school system, he replied "nothing is ever easy." Stossel also interviewed suspended teachers who had several excuses for their poor performance. One claimed that low results on teacher exams were largely attributable to racially-biased questions.

The piece also examined why inner-city Catholic schools are typically able to generate higher student achievement with less bureaucracy. Contrary to the assertions of many in the education establishment, Stossel found that in the parochial school he visited, students were rarely expelled for poor academic performance or behavioral reasons. This particular Catholic school in inner-city New York had higher-than-average student performance despite larger classes. The principal attributed his school's success to dedicated teachers and parents. By contrast, when children who remained in the government-run school system were asked about their teachers, one responded, "It's like they dead … and when they have no enthusiasm, we have no enthusiasm (*sic*)."[16]

Overnight, Stossel's piece drew fire from the education establishment. Bob Chase, president of the National Education Association (NEA), criticized Stossel for looking at one school and generalizing its problems as endemic to the whole system. He cited the number of teachers with advanced degrees and how students' performance on the SAT has improved over the last decade. Chase claimed the piece "maligned the record of public education," and constituted "a shocking attack on America's public school teachers." He urged teachers to write to the CEOs of companies who advertised on the show to complain about Stossel's presentation.[17] Yet the problem of poor student performance is not limited to just one school, city, or state.

Contrary to Chase's complaints, the failures of the nation's public schools are endemic to the whole system, especially in California. While nearly all teachers possess bachelor's degrees and many have advanced degrees, Chase fails to mention their specific disciplines and whether the evidence suggests that their academic background will help boost student learning. While he cites improved scores on the SAT, he fails to add that the test has been re-centered and scores have been inflated as a result. Most important, the test score gains combine public- and private-school students, with public-school students faring far worse.[18] Moreover, many inner-city children trapped in failing schools never even take the test.

Teacher unions such as the NEA and American Federation of Teachers (AFT) would echo William Sanders's finding that teachers are clearly the most important factor affecting student achievement. These groups make certain claims about the way teachers are treated, that they are overworked and underpaid, and that there are not enough of them. While repeated by many politicians and policymakers, especially in an election year, those claims seldom receive the scrutiny they deserve. The actual statistics on teacher salaries tell a much different story.

Teacher Salaries

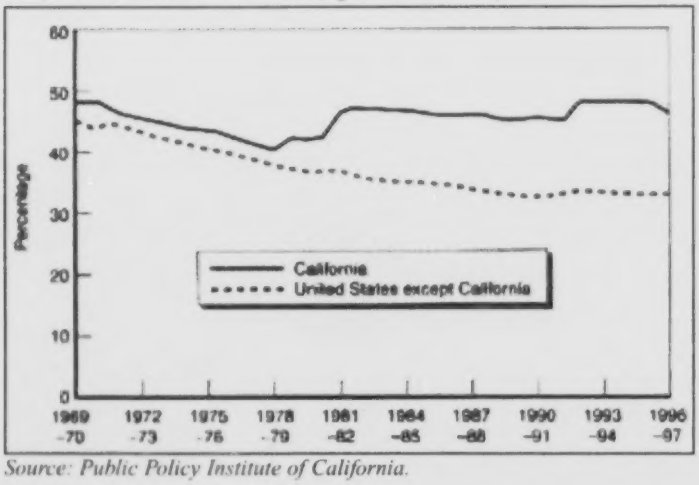
In school districts across California, teacher salary schedules are based on two components: degrees and credentials earned plus years of teaching experience. This year, in the midst of an aggressive contract fight, the Los Angeles Unified School District (LAUSD) offered a uniform salary increase of six percent for the district's teachers. On top of this raise, the district proposed additional performance incentives for teachers who boost the scores of their students on the Stanford-9, the statewide standardized test used to track academic progress for grades two through 11. United Teachers of Los Angeles (UTLA) President Day Higuchi responded that the incentives were a "scheme" that would treat teachers unequally. Instead, the union proposed a general 15-percent increase, and later raised its demand to 21 percent, nearly three times the original offer.[19]

When the district's board eventually passed the performance incentives, Higuchi responded they would never be accepted by the union, claiming "this is a board majority's declaration of war." He went on to say, "everyone hopes teachers will get a fair deal. But if they're not willing to do that, what choice have we got? We don't want to strike, but we will."[20] Despite Mr. Higuchi's threat, Los Angeles, and California teachers overall, are quite well paid already.

According to the district's own reporting, in 1998-99, the average LAUSD teacher reaped $46,554 annually, slightly above the statewide average of $46,129. Beginning teachers in Los Angeles receive an annual income of $32,558, far exceeding the statewide average of $28,798.[21] In California's second-largest city, San Diego, with the state's second-largest school district, teacher salaries are similarly generous, surpassing many other professions.

The Rose Institute for State and Local Government at Claremont McKenna College found that, with add-ons considered, the real average salary of teachers in San Diego is almost $51,000, eight percent higher than what the district reports.[22] The Rose study also finds that when San Diego County salaries are indexed for days worked and compared to other industries, teachers are actually quite well compensated.

Teachers' Salaries as a Percentage of Current Expenditures



Source: Public Policy Institute of California.

The average teacher in San Diego County who is employed by a unified school district like San Diego City makes $61,773 a year, adjusted for days worked and excluding benefits. This salary exceeds the average in most other professions in the county. For example, unified school district teachers earn more, on average, than mechanical engineers, computer programmers, postsecondary math and political science professors, chemists, and registered nurses employed in the county, to name just a few professions.[23]

The 300,000-member California Teachers Association (CTA), the state affiliate of the National Education Association, vigorously supports raising teacher pay, claiming salaries need to be raised overall to attract quality candidates in a competitive economy. The fact of the matter is that California, though its levels of student achievement remain low, ranks in the top quintile in the country when it comes to teacher pay.

According to the American Federation of Teachers (AFT), in 1997–98 (the latest year available), the average salary for a California public-school teacher was $44,485. The national average was $39,347, making California school teachers the eighth highest-paid in the country, directly behind the District of Columbia.[24] According to the U.S. Department of Education, California also ranked eighth in salaries for instructional staff (supervisors, principals, classroom teachers, and other instructional staff), with an average salary of $45,610 in 1997–98.[25] Similarly, according to the AFT, the beginning California public-school teacher with at least a bachelor's degree made $27,852 in 1997–98, ranking the state ninth in the country.[26]

It is also important to remember that districts report the minimum salaries teachers can earn. In most districts, teachers can add to their base pay. For example, in LAUSD's 1999–2000 teachers' contract, instructors earning national certification are eligible for a 15-percent salary raise. Bilingual teachers are eligible for an additional $5,000 per year. Employees with master's degrees are eligible for an extra $153, and employees with doctorate degrees can reap an added $408. Therefore, a Los Angeles bilingual teacher who makes the district's average base salary of $46,554, but has a master's degree in education and possesses national certification, could earn up to $58,690, excluding state incentives.[27]

Many districts include stipends for teachers who coach an athletic team or participate in other extra-curricular activities. California teachers also receive generous retirement benefits.

The California Department of Finance estimates teacher benefits at 30 percent of salaries. Using this methodology, the combined average teacher salary and benefit package in 1997–98 stood at $56,844.[28] When teacher salaries are indexed for inflation, California salaries are still higher than most. The AFT claims that after inflation, California teachers rank 19th in the country in terms of compensation. Even after salaries are adjusted, according to the AFT, California still resides safely in the top half of states' teacher compensation packages.[29] However, the AFT relies on its own inflation index. Perhaps a more accurate indicator is the comparison of average teacher salary to per-capita income and the average private-sector salary.

In 1997–98, the average teacher salary was 70 percent higher than the state's average per-capita income and 43 percent higher than the average private-sector salary.[30] Further, salaries have been growing. In constant 1997–98 dollars, California's average annual teacher salary rose from $37,543 in 1979–80 to $43,725 in 1997–98—a real inflation-adjusted increase of 16.5 percent. Similarly, using 1997–98 constant dollars, average salaries for instructional staff rose from $38,806 in 1979–80 to $45,610 in 1997–98—a real increase of 17.5 percent.[31]

Teacher compensation has also come to occupy an increasingly-large portion of California school districts' budgets. While teacher salaries as a percentage of district expenditures fell in other states between 1969 and 1997, California salaries, which were already higher than averages elsewhere, remained stable. During the 1970s, California salaries as a percentage of district expenditures actually fell, as they did throughout the country. However, according to the Public Policy Institute of California (PPIC), throughout the 1980s, school districts in the state chose mostly to limit their hiring of teachers and focused on boosting teacher pay. In 1979–80, California districts paid their teachers on average $4,700 more annually than districts in other states. That figure nearly doubled by 1989–90, when the difference had climbed to $9,000.[32] A 1991 study by California's non-partisan Legislative Analyst's Office (LAO) came to the same conclusion.

From 1982–83 through 1989–90, according to the LAO study, funding for the state's K–12 schools rose 13 percent more than would have been required to keep pace with inflation and enrollment growth. The LAO found that most of the extra funding went to boosting teacher salaries.[33] What contributed to the increasing share of expenditures allotted to teacher salaries? PPIC concludes that the initiation of collective bargaining was a major factor in the higher salaries afforded the state's teachers.[34]

While California teachers are compensated quite well compared to their colleagues in other states, schools and districts compete with other industries to attract the most able candidates. Many policymakers, interest groups, and members of the media have warned that the growing salary gap between teachers and other industries will make education relatively less attractive.

In 1998, according to *Education Week*, a leading education periodical, teachers ages 22 to 28 earned an average of $7,894 less than other college graduates of the same age. The gap was three times greater for teachers ages 44 to 50, who earned $23,655 less than their peers in other occupations. Teachers in 1998 with master's degrees earned $12,425 more than teachers who had only bachelor's degrees, while Americans in other professions earned an average of $24,648 more per year with a master's than with a bachelor's degree. In fact, teachers ages 44 to 50 with master's degrees made an average of $32,511 less than those with similar degrees in other industries. Between 1994 and 1998, non-teachers' salaries increased 17 percent and 32 percent for bachelor's and master's degree holders, respectively, after inflation. Over that same period, adjusted salaries for teachers with either degree increased less than one percent.[35]

It is important to note that the *Education Week* survey included both public and private school teacher salaries. Typically, private school teachers earn less than their colleagues in the public sector. Also, while teachers with master's degrees enjoy a smaller income margin than in other industries, several studies confirm there is no statistical difference in student performance among those children who have a teacher with a master's versus bachelor's degree.[36] Further, there is little evidence to suggest that higher uniform salaries will attract better teachers.

As noted, district salary schedules in California are linked to level of education and experience. Raising salaries across the board will attract more teachers of all abilities. Scholars Eric Hanushek, John Kain, and Steven Rivkin find higher salaries do not necessarily buy better teachers. Based on a 1999 study of several Texas school districts, which like many California school districts are growing and cater to large numbers of minority students, higher salaries are shown to have only a modest impact on teacher mobility and student performance.[37]

Teacher mobility is more affected by characteristics of students, such as income, race, and achievement. Salaries are only weakly related to performance on certification tests, appearing only to be relevant in those Texas districts doing a large amount of hiring. However, initial examination reveals certification tests are not closely related to student achievement. Furthermore, the only significant relationship between salaries and achievement holds for existing, experienced teachers. New hires and probationary teachers, the supposedly skilled candidates lured by higher salaries, fail to increase student achievement.[38]

In a January 2000 speech to the Sacramento Press Club, California Governor Gray Davis explained his strategy to attract qualified teaching candidates by saying, "I'm trying to change the conversation on this topic because there's no way we can offer the kind of compensation that, say, a 23-year old can command from the Silicon Valley." He continued, "I'm trying to tap into idealism … make teaching a selfless act of patriotism, something young people will do for at least a limited period of time."[39]

"…there's no way we can offer the kind of compensation that, say, a 23-year old can command from the Silicon Valley."

– California Governor Gray Davis

The governor received a great deal of criticism for implying that teaching might be more of a temporary profession in the future. Many critics had already concluded that the best way to boost student performance was to reduce teacher turnover by increasing salaries. Delaine Eastin, California's Superintendent of Public Instruction, called Davis's remarks "very ill considered, and I hope he will come to regret it." *Los Angeles Times* columnist George Skelton went further, saying, "teaching is like most occupations, requiring years of experience to really excel … the skill isn't acquired overnight—or even fully in four years."[40] However, much of the evidence suggests Eastin and Skelton are misinformed.

In another analysis of school districts in Texas, Rivkin, Hanushek, and Kain investigated the relationship between teacher experience and student outcomes. They find that, on average, student performance improves over the first two years of a teacher's career, but after that remains flat. According to Hanushek, "the initial improvement probably reflects both the time it takes to learn how to teach and the fact that many people exit almost immediately, after finding teaching is not for them. Finally, differences in quality of teachers, measured in terms of learning growths of students, are much, much more important than the experience effects."[41]

Dale Ballou and Michael Podgursky have examined just how long teachers who improve student performance remain in the system versus teachers who have less

success in boosting outcomes. Using these parameters, they find that the highest-quality teachers turn over every seven to nine years, while the lowest-performing turn over every 16 to 18.[42] Such an economic explanation makes sense.

High-quality teachers also have high opportunity costs; their skills make them more competitive and attractive to other industries, thereby providing more career options outside education. Alternatively, one factor in explaining why less competent teachers remain in education is because they have more security within the profession, and their competitive advantage is not as high when seeking employment in some other sector.

Ballou and Podgursky, co-authors of *Teacher Pay and Teacher Quality*, find that candidates with strong academic backgrounds are more likely to leave teaching in a few years.[43] Phillip C. Schlechty, an education professor at the University of North Carolina, and Victor Vance, an economist at Campbell University, find that teacher turnover rates are positively related to performance on the National Teacher Examination (NTE), a standardized test given to teacher candidates in several states.[44] Similarly, Harvard education professor Richard Murnane and Ohio State economist Randall J. Olsen find that while beginning teachers who are paid more stay longer, teachers with higher scores on the NTE have higher rates of attrition. Also, salary increases for teachers with higher test scores have less influence in reducing turnover rates than with less able teachers. Murnane and Olsen suggest "that salary increases by themselves may not increase the academic ability of the teaching force."[45]

"Recruiting persons who might teach for a few years, as opposed to a long career, represents one of the most promising ways to raise the quality of the workforce."

– Ballou and Podgursky, co-authors of *Teacher Pay and Teacher Quality*

In short, there is little evidence to suggest that higher uniform salaries increase student achievement. In fact, high-quality teachers also have higher rates of attrition. This leaves Ballou and Podgursky to conclude "that while school officials may be motivated by the desire to hold down turnover, it is exceedingly difficult to defend hiring practices that give preference to individuals of less initial ability on these grounds." Further, "recruiting persons who might teach for a few years, as opposed to a long career, represents one of the most promising ways to raise the quality of the workforce."[46]

University of Georgia sociologist Richard Ingersoll has done considerable research on school staffing and organization, and the specific impact of teacher salaries. While he finds that salary plays a role in turnover and other aspects of school management, it is but one of many components. According to Ingersoll, the average annual rate of turnover is 11 percent of all employees in the workforce. For public-school teachers, that figure is slightly higher, 12.4 percent.[47]

Employee turnover affects all sectors of the economy, and teaching is not immune. It is important to remember that despite the rhetoric, close to 78 percent of California public-school teachers are veterans of four or more years in the system.[48]

Delaine Eastin and others purport there is something unique about teaching that requires instructors to dedicate a sizable chunk of their professional careers to remaining in the teaching force. Eastin and others are quick to add that in order to achieve this end, salaries will have to be increased. However, the evidence does not support their perspective.

Turnover does not necessarily have a negative effect on student outcomes, nor does teacher experience determine higher levels of student achievement. In fact, high-achieving teachers often leave after a few years while low-achieving teachers tend to stay longer. Futhermore, teacher compensation is already high in California compared to other states. The general salary increases that have been debated so far in Sacramento fail to target those candidates whom the evidence suggests would make the most able teachers.

The claim that teacher salaries are too low, and that increasing salaries is the key to reform, rests on little evidence and is seldom challenged. The actual level of salaries and benefits statewide has received scant attention. That neglect is also true of another key area of education policy.

While it is important to attract dedicated and highly-qualified people to the teaching profession, there remain within that profession many who are ill suited to the task. Rather than remove them from the classroom, where they inhibit the progress of students, current arrangements, whatever their intention, have the effect of keeping these incompetent teachers in place.

While reform efforts across the country have centered on student achievement, in California existing school personnel practices such as teacher tenure do not even mention the impact on academic performance. If teachers prove incompetent, statutory protections prevent districts from dismissing the failing instructors in a timely manner that also benefits students.

Teacher Tenure and Dismissal

Under state law, teachers are hired on a probationary basis, after which time districts decide whether to grant them permanent status. During the probationary period, pursuant to state law, teachers are awarded yearly contracts and must be evaluated annually. Permanent status teachers are evaluated every two years. A district may decide not to re-hire the instructor at the end of the first year, or by May 15 of the second year. If a district board fails to notify a probationary teacher of its intent not to grant tenure in a timely fashion, the teacher automatically gains permanent status. Unless the instructor has been tenured in another California district, no teacher can obtain permanent status before completing two years of service.[49]

The specifics of teacher evaluations are negotiated in local district contracts. According to Dr. Ruben Peterson, former superintendent of Newark Unified School District and John Swett Unified School District, some contracts spell out the details of evaluations, while others just mention that evaluations will occur. Regardless, few,

if any, contracts link evaluations with continued employment, nor do they have an explicit impact on whether teachers are eventually tenured. Because of district contracts, there are few consequences as a result of teacher evaluations.

After the two-year probationary period, most districts grant "permanent status" or tenure as a matter of course. There is no statewide test and many districts do not require teachers to pass evaluations. Those districts that do require teachers to pass evaluations usually set the bar low enough that very few, if any, teachers fail to make the grade.[50] State tests for teachers maintain similarly low standards.

The California Basic Education Skills Test (CBEST), required by the state since 1981 for all teachers, is about a 10th grade level test, yet many teachers fail it the first time.[51] They may retake the test as many times as they wish and many fail multiple times. Sara Boyd, an award-winning vice principal of Menlo-Atherton High School, failed the test four times, twice scoring the equivalent of zero in math. A teacher and administrator, whose job included budgeting, she did not know that eight was 10 percent of 80. "That's about one percent," she said. Despite Boyd's four failures, which also included the reading section of the test, the state allowed her to continue as a high-school vice principal. The California Teachers Association (CTA) supported a lawsuit charging that the test was racially biased.[52]

"We don't see anything that would indicate there will be general teacher shortages."

– Daniel Hecker, U.S. Bureau of Labor Statistics

The ability to pass a 10th grade test would hardly seem a guarantor of teacher quality. Since the 1996 lawsuit, the state made the math section even easier, eliminating questions involving elementary geometry and algebra. Tenure, meanwhile, remains California teachers' greatest job protection.

Once a teacher receives tenure, it is virtually impossible to dismiss him or her if performance wanes. The state maintains no official record for the number of firings of tenured teachers. However, according to the Office of Administrative Hearings (OAH), the state bureau that oversees teacher dismissal hearings, for the entire state of California between 1990 and 1999, only 227 teacher dismissal cases ever reached the decision phase in the firing process.[53] How many of those 227 resulted in dismissals, however, is unknown.

According to the California Department of Education (CDE), there were 179,780 tenured teachers working in California public schools in 1998–99.[54] If one assumes that all 227 decisions resulted in firings in 1998–99 alone, only slightly more than one tenth of a percent of tenured teachers in the state were dismissed.

This number is probably quite inflated considering the 227 decisions reached in dismissal cases include both firings and reinstatements, and do not include cases pending appeal. Also, the 227 decisions were spread out over 10 years across a larger pool of teachers. Therefore, the number of dismissals is most likely considerably below one tenth of a percent and, over a full decade, practically a proxy for zero.

As this report will later detail, the number of resignations in lieu of dismissal is quite low. While some teachers are counseled out of the profession by principals,

these tend to be probationary teachers. Once teachers receive tenure, there is little school administrators can do to remove incompetent instructors.

Teacher tenure was codified into state law during the 1920s, partly as a result of the women's rights movement. Tenure was designed to protect schoolteachers, the vast majority of whom were women, against firings as a result of frivolous rules, and to add a layer of job protection.[55] However, the world has changed markedly in the last 80 years. More and more men have entered the teaching profession and women's place in the labor market, especially education, is far more secure. Increasingly, California's tenure law has become a mainstay for the state's teacher unions and a key protection for the incompetent.

While districts can release probationary teachers without cause and at their discretion, once instructors receive permanent status, state law provides districts a specific list of grounds for dismissal. Districts and local unions cannot bargain over these provisions. Tenured teachers can only be dismissed for the following reasons:

- Immoral or unprofessional conduct.
- Committing, aiding, or advocating the commission of acts of criminal syndicalism.
- Dishonesty.
- Unsatisfactory performance.
- Evident unfitness for service.
- Physical or mental condition unfitting him or her to instruct or associate with children.
- Persistent violation of or refusal to obey state law or reasonable state and local regulations.
- Conviction of a felony or of any crime involving moral turpitude.
- Advocacy or teaching of communism with the intent of indoctrination.
- Knowing membership in the Communist Party.
- Alcoholism or other drug abuse that makes the employee unfit to instruct or associate with children.

(Summarized from California Education Code 44932)

While the code was amended in 1995, replacing the word "incompetence" with "unsatisfactory performance" (supposedly an easier charge to substantiate), a tenured teacher still cannot be dismissed solely for failing to improve student achievement. Indeed, if students consistently fail to advance under one teacher, there is no explicit provision that allows districts to commence the dismissal process. Nevertheless, the state's teacher unions objected to the more benign change, saying it would leave teachers open to dismissal because of "ideological" differences.[56]

Even if failure to improve learning was included as grounds for dismissal, the process is so time-consuming and costly that, according to the California School Boards Association (CSBA), "districts are forced, often out of necessity, to allow bad teachers to remain in the classroom and on the payroll because the costs in time, money, and human resources to removing them are too great."

According to EdSource, an independent, non-political group that tracks California K–12 issues, in 1995 the basic dismissal of one teacher, before any appeals, was estimated to cost a school district between $10,000 and $30,000. If one includes the full appeals process, it could cost the district as much as $300,000.[57] The dismissal process is lengthy and complicated.

Aside from the 1995 modification that substituted "unsatisfactory performance" for "incompetence," there have been few changes to the dismissal law. CSBA asserts that "districts often have trouble fitting the particular conduct or behavior of a teacher into the required categories for dismissal, even though the conduct or behavior may clearly warrant dismissal."[58] Assuming a district does bring charges against a teacher, the process proceeds as follows.

"In 1995 the basic dismissal of one teacher, before any appeals, was estimated to cost a school district between $10,000 and $30,000."

The district's governing board must issue written charges and determine by majority vote that dismissal is appropriate. The board must then provide written notice that the teacher will be dismissed in 30 days unless he or she requests a hearing. When the cause for dismissal is unprofessional conduct, the district must give an additional special notice 45 days prior to the 30-day notice of intent to dismiss. This special notice must provide specific instances of behavior that the board has cited as unprofessional, providing the teacher an opportunity to correct the problem. The most recent evaluation must also be attached to the notice. Similarly, if the grounds for dismissal are unsatisfactory performance, the district must give special notice as well, in this instance 90 days in advance.

If a hearing is requested, the district board must reconvene to decide if the dismissal process will continue. If it proceeds, the board must inform the teacher and provide him or her with a written accusation. If the teacher again requests a hearing, it must be conducted by a three-member Commission of Professional Competence, comprised of an administrative law judge (ALJ), a member selected by the teacher, and a member selected by the district. The panel must conduct a complete evidentiary hearing, with full-blown discovery.

The panel then issues a ruling by majority vote to either reinstate or dismiss, unless the infraction is unprofessional conduct whereby a teacher can be suspended without pay. The panel's decision may be appealed to the California Superior Court. Further appeal may be made to the State Court of Appeals, after which the teacher is either dismissed or reinstated.[59]

Neither the CDE nor other state agencies have done much research on teacher dismissals but, according to Diana Halpenny, general counsel for the San Juan Unified School District outside Sacramento, "it takes longer to fire a teacher than convict a murderer."[60] According to Ms. Halpenny, when a district moves to dismiss a tenured teacher for unsatisfactory performance, it has already invested a considerable amount of time in investigating the instructor. Most charges are based on an accumulation of

behavior. The district usually works with the teacher's principal over the course of at least two years, compiling parent complaints, unsatisfactory lesson plans, and work attendance records. Only after this evidence has been collected will the district move to issue the 90-day pre-dismissal notice, usually 25 to 30 pages in length.

After the warning has been issued, the district will usually bring in another principal, a further strain on personnel, to evaluate the accused teacher over the 90-day period. The district will compile the existing evidence it has collected and the outside evaluations, and draft a written set of charges, again 25 to 30 pages. According to Ms. Halpenny, most teachers take the full 30 days provided by law to request a hearing. They are given the opportunity to respond to any of the accusations, but most refuse under advice of counsel. While the hearing is supposed to commence within 60 days of the request, it can take up to three to four months to find an ALJ with three or four weeks of free time, the typical length of most hearings. The district must also select its representative on the competency panel.

"It takes longer to fire a teacher than convict a murderer."

– Diana Halpenny, General Counsel, San Juan Unified School District

Ideally, Ms. Halpenny claims, the district selects an outside administrator who has spent at least five of the last 10 years in the field the accused teaches. It can often be difficult to find someone with the appropriate background. What drives up costs for the district is not the actual collection of evidence or the trial itself, but witness deposition.

While rare for other public employees, teachers can avail themselves of full-blown discovery, meaning not only do both sides have to exchange evidence and witness lists, lawyers can depose witnesses as well. This includes principals, other school and district administrators, teachers, parents, and in the instance of cases against high-school teachers, often students themselves. Discovery must be completed 50 days before the pre-trial hearings commence. Hearings can take up to eight weeks, and if the district loses at any point, it must pay all of the teacher's legal expenses, usually upwards of $100,000 in attorney fees, $45 an hour for the ALJ, plus added expenses of court reporters and panel members. According to Ms. Halpenny, "these costs are exorbitant and able to cripple smaller districts, eating away at up to half their budget, and are a dramatic expense for larger districts too."[61]

The obvious incentive for districts is to settle quickly. Typically, districts will buy out teacher contracts, agreeing to pay between $30,000 and $100,000 for teachers to leave.[62]

Few, if any, other professions afford such lavish protection against dismissal for incompetence. A careful examination of the data also challenges the concept of the impending teacher shortage, a favorite of lawmakers from Sacramento to Washington.

The Teacher Shortage: Fact or Fiction?

U.S. Secretary of Education Richard Riley predicts, "2.2 million teachers will have to be hired to meet swelling enrollments and teacher retirements." According to Riley, "the squeeze has gotten so tight that some schools have been forced to put any warm body in front of a classroom."[63]

Here in California, depending upon whom one asks, the state will have to hire between 250,000 and 306,000 new teachers in the next decade. Supposedly, new hires without proper training and credentialing flood California classrooms. In Los Angeles alone, 75 percent of new hires for the 1998–99 school year did not have regular teaching credentials.[64]

While certain districts exhibit shortages, there is no widespread problem. Rather than a general shortage, schools around the country, and especially in California, lack qualified teachers primarily in certain fields, and at particular grade levels.

According to estimations compiled by the California Department of Education (CDE), the state will have to hire 25,375 teachers for the 2000–01 school year, but the number of hires is not evenly distributed across subjects. For example, according to the CDE's estimation, 3,803 special education teachers will have to be hired because of a largely unfunded federal mandate that requires the state to provide services for disabled students in public schools. Further, two years after implementation of Proposition 227, which streamlined the state's controversial bilingual education program, California will require approximately 2,303 bilingual teachers for the 2000–01 school year.[65]

Traditional subject areas also exhibit different hiring demands. In 1997–98 (the latest year for which data are available), approximately 22 percent of all single-subject emergency permits and waivers were issued in the hard sciences, while 21 percent were issued in math. English slots accounted for 15 percent, while physical education and the social sciences each took up 10 percent.[66] Despite the different demands, uniform salary increases are as likely to attract a physical education instructor as a chemistry teacher. Different types of schools, especially those that are low-income and urban, have trouble attracting qualified teachers. The evidence suggests low-income, urban schools fail to attract candidates with strong academic backgrounds. Richard Ingersoll finds that in high-poverty schools 43 percent of math teachers neither majored nor minored in a math-related field of study. This figure is 20 percentage points lower in wealthier districts.[67]

Murnane and Olsen find that staffing problems often affect particular levels of schooling and subject fields. For example, there is more turnover among high-school teachers than elementary-school teachers. Most interesting, at least in the samples of North Carolina and Michigan teachers they reviewed over the course of several years, physics and chemistry teachers had the highest rates of attrition, while English and social studies were relatively stable.[68]

The evidence suggests that qualified instructors in certain low-supply disciplines, like math and science in California, are dissuaded from teaching because of the high

barriers to entry and rigid salary schedules that fail to reward them for their expertise. Also, while the state's massive investment in class-size reductions promised to boost student achievement, the evidence so far is less than conclusive. However, what is certain is that the state mandate forced districts, particularly low-income ones, to scramble to find new teachers.

In 1984, Linda Darling-Hammond, then a RAND education analyst and currently a Stanford education professor, warned of a coming "crisis" in the teaching profession. "With enrollments rising and the number of education majors dwindling," she wrote, "the nation will soon face a shortfall of qualified teachers." The NEA and AFT endorsed Darling-Hammond's viewpoint, claiming that by 1993, "the need for new teachers will exceed the number of new teacher graduates by 37 percent."[69] Seven years after the unions' dire prediction, even Darling-Hammond concedes, "despite reports of shortages in some areas, the United States produces many more teachers than its schools hire." According to her, "only about 60 percent of newly prepared teachers enter teaching jobs after they graduate, and many report that they cannot find jobs."[70]

Despite Secretary Riley's urgent call for 2.2 million new teachers over the next 10 years, according to the U.S. Bureau of Labor Statistics, the nation normally hires two million teachers per decade. The National Center for Education Statistics (NCES) projects that annual growth in demand for teachers will actually decline as the current enrollment surge gets through high school in the next decade. Daniel Hecker, an economist at the Bureau of Labor Statistics, claims, "we don't see anything that would indicate there will be general teacher shortages."[71]

According to the U.S. Census Bureau, American colleges and universities awarded more than 100,000 bachelor's degrees in education each year throughout the 1990s. More than six million people hold at least a bachelor's degree in education, and roughly three out of four current teachers possess a bachelor's degree in education. In all, there are more than four million people with at least an undergraduate degree in education who are not teaching. This means many of the "new" teachers are not new at all, but rather tend to be re-entrants.

According to NCES, across the United States 34 percent of "new" teachers were re-entrants in 1993–94, the latest year for which national data are available.[72] A recent study by the Center for the Future of Teaching and Learning (CFTL) estimates that for the 1998–99 school year approximately 40 percent of California teacher hires were re-entrants.

The CFTL study defines "under-qualified" as those teachers who do not hold a full credential for their particular area of instruction and who have failed to complete a teacher preparation program in the same field. The report claims that one in 10 classrooms is staffed by such a teacher, assuming there is an even distribution of under-qualified teachers across the state. Yet the study later concedes no such distribution exists, claiming under-qualified teachers "are concentrated in schools where students are in greatest need of high-quality instructors," mostly low-income, urban schools.[73]

Nearly half of the state's school districts (48 percent), and 40 percent of the state's schools, have fewer than five percent under-qualified teachers, while 24 percent of California schools have none of these instructors at all. On the other end of the spectrum, nearly one-fifth of California schools and one-eighth of the state's districts have 20 percent or more under-qualified teachers. This bottom fifth of the state's schools enrolls 21 percent of California students—approximately one million children.[74]

The study finds that schools with the highest percentages of students receiving free or reduced-price lunch (a proxy for children in poverty) also have the highest number of under-qualified teachers. Schools with the highest poverty levels, about 1,700 in all, retain on average 16 percent under-qualified teachers on staff. In schools with the most affluent children, only about four percent of teachers are similarly designated.[75]

"While California taxpayers had spent $5.2 billion on smaller classes ... achievement gains continued to be very modest, at the most four percent."

Most important, those schools with the highest levels of student achievement also have the fewest number of under-qualified teachers. In terms of third-grade reading scores, the highest-scoring schools have only four percent of such teachers on staff, while the worst-performing schools have more than five times as many under-qualified instructors, approximately 22 percent.[76] The study also predicts that the percentage of teachers hired varies widely depending on subject matter.

For example, in 1998–99 CFTL estimates that across the state 15 percent of new hires were bilingual education teachers while 14 percent were special education instructors. Science teachers represented seven percent of new hires, while math and English/drama accounted for six percent each, social studies four percent, and foreign language three percent.[77] As we will later detail, the number of under-qualified teachers varies widely depending upon district. However, according to the California Commission on Teacher Credentialing (CTC), the state faces a shortage of 3,500 qualified math teachers, placing "the mathematics education of millions of California students in jeopardy."[78]

While the 10 percent of California's teachers who lack a full credential are unevenly distributed across the state, that figure is deceiving for other reasons as well. The CFTL concedes that districts often hire teachers who lack full credentials and training for a specific niche, or because they have expertise in a particular subject area. The CFTL claims that not until 20 percent of a school's teachers are under-qualified is student performance endangered.[79] By that rationale, the real problem is focused on the bottom 20 percent of the state's schools—home to approximately one million, low-income, mostly minority children in urban areas. This is a far cry from the state's six million students, who come from a wide range of settings. Also, while CFTL defines under-qualified as lacking a full teaching credential, the evidence suggests there may be too much emphasis placed on certification. The lack of fully-credentialed teachers does not appear to impact student outcomes significantly.

Goldhaber and Brewer find that students whose teachers possess certification outperform students whose teachers lack these credentials. Yet they also find that teachers with emergency certification have the same impact on student performance as teachers with full credentials.[80] This is an important observation for policymakers and others who have pointed to the proliferation of emergency certificates in poor, urban districts as a principal reason behind deteriorating student outcomes.

If the evidence suggests there is no statistical relationship between the two, declining student performance might be better explained by other variables, such as teachers' lack of subject-matter knowledge in their respective fields. Meanwhile, one principal culprit behind the demand for teachers in California is the state's costly class-size reduction program.

In 1996, the state legislature enacted the sweeping reform, mandating that K–3 class sizes across the state be reduced from a high of 33 to no more than 20 students. The plan has turned out to be the state's most expensive education reform in history, costing California taxpayers $1.5 billion annually. By 1997–98, almost all first and second graders attended participating schools, along with 95 percent of kindergartners and 90 percent of third graders.[81] However, the high rate of participation has not come without a cost.

While student performance on standardized tests in smaller third-grade classes was marginally better than in larger ones, it amounted at most to a three percentage point gain. The trade-offs were more severe. According to the CSR Research Consortium, a state-sponsored group appointed to study the impact of class-size reduction, in the first two years of the program the state's K–3 teaching force expanded by 38 percent or 23,500 teachers.[82] Prior to class-size reduction, 17 percent of teachers statewide were "novices," that is they had been teaching for less than three years. Two years after implementation of the state mandate, that figure had jumped to 28 percent. The proportion of teachers who had either just completed a bachelor's degree or failed to do so jumped from 17 to 23 percent statewide. Furthermore, according to the Consortium, the percentage of teachers without full credentials soared from one percent to 12 percent statewide following class-size reduction.[83]

Low-income, urban districts have felt the crunch of smaller classes and more teachers. Prior to the state's effort to cut class sizes, the highest percentage of low-income students only had about one percent more uncredentialed teachers than the most affluent students. According to the Consortium, by 1997–98 that difference had widened to more than 15 percent.[84]

In June 2000, the class-size consortium issued another report, updating its findings to include data from the 1998–99 school year. While California taxpayers had spent $5.2 billion on smaller classes and close to 99 percent of eligible children were enrolled in the program, achievement gains continued to be very modest, at the most four percent. Furthermore, there is no direct evidence that these marginal gains are attributable to smaller classes. The new study finds that since 1995-96, the percentage of teachers possessing full credentials in grades K–3 has fallen from 98 percent to 87 percent, with the figure for low-income schools lower still at 80 percent. More-

over, teachers in smaller classes reported little difference in curriculum, and covered the same amount of material at the same rate as their colleagues in larger classes. While teacher experience and certification have a questionable impact on student performance, school districts across the state have a hard enough time attracting and hiring qualified candidates. Any state mandate that forces districts to hire even more teachers from a limited pool cannot be beneficial. A recent incident in Sacramento highlights how teacher unions can also have a detrimental effect.

During controversial contract negotiations with the district, the Sacramento City Teachers Association urged candidates seeking teaching jobs in the city to reconsider, claiming, "the district has continued to pressure us to attend useless meetings and workshops for little or no pay." The union advised potential teacher applicants against, "seeking employment in the Sacramento City Unified School District until and unless a mutually agreeable negotiation settlement is reached." District Superintendent Jim Sweeney called the union's actions unfortunate, claiming it was vital for the district to be able to recruit and retain the best teachers.[85]

California's teacher shortage is focused on the bottom fifth of the state's schools, affecting approximately one million children, mostly low-income and many from minority families. The problem is especially acute in certain subjects, such as math and science, and is exacerbated by high barriers to entry, like certification and uniform salary schedules that reward all teachers equally, regardless of their ability and the subject they teach. State mandates like class-size reduction only make matters worse, forcing districts to hire more teachers, without expanding the pool of eligible candidates. Unions and restrictive teacher contracts can also divert attention from the primary focus of educating children. In short, government has largely caused the limited shortage problems that school districts currently encounter.

In order to have a positive impact on student learning, the right kind of teaching candidate must make it to the classroom. District contracts typically say very little about teacher hiring. School districts and principals typically have more leverage in making these decisions. While unions are not immediately involved in hiring decisions, these choices are not made in a vacuum.

Teacher Hiring and Assignment

State law mandates that teachers are credentialed by the California Commission on Teaching Credentialing (CTC), based in Sacramento. Technically speaking, teachers are "certificated persons" and operate with a variety of credentials.

Elementary school teachers typically receive a general grade K–6 credential, while secondary school teachers obtain general credentials plus subject area certification. There are various credentials for principals, librarians, school counselors, and other administrators. Despite the state's insistence on credentialing as a proxy for quality, there is little evidence of any vital connection between certification and improved student performance.

Economists Dan Goldhaber and RAND Education Director Dominic Brewer used data from the National Educational Longitudinal Study of 1998, surveying 24,000 eighth graders. According to Goldhaber and Brewer, teachers who possess some kind of certification have a statistically significant, positive impact on students' math achievement compared to students with teachers who lack a credential or are certified in another field. The difference between the two groups of students represents three quarters of a year of learning.[86]

However, Goldhaber and Brewer also find that "math students having teachers with bachelor's or master's degrees in mathematics outperform students whose teachers do not hold these credentials." They find the difference between the two groups of students accounts for more than a third of a year of schooling.[87] Certification is not the sole determinant of higher student outcomes. The LAO made the same point in critiquing Governor Davis's education budget proposal for the 2001 fiscal year. It says, "We note that teaching credentials are not necessarily synonymous with teaching quality. The ability to inspire children and teens to learn rests on a mix of personal qualities, knowledge, and energy that are not guaranteed by a document issued by the state."[88]

"In 1994, 27 percent of the state's public secondary-school teachers lacked a degree in the subject they taught."

As Goldhaber and Brewer demonstrate, subject-matter knowledge is important. In 1994, the most recent year for which data are available, just 49.8 percent of California public secondary-school teachers whose main assignment was to teach math had a mathematics or math education degree. California was tied with Alaska for third from last, ahead of only Washington and Idaho. The national average was 72 percent. Similarly, only 62 percent of California science teachers majored in science, tying it with Oklahoma for fifth from last. Overall, in 1994, 27 percent of the state's public secondary-school teachers lacked a degree in the subject they taught, ranking California last among the states.[89]

Moreover, Eric Hanushek and Richard Pace, an economist at the University of Dayton, have found that higher ability students, as measured by cognitive achievement tests, are less likely than lower ability students to enter teaching. In the early 1980s, Hanushek and Pace tracked graduating high school students through college and into their post-college lives as teachers or professionals in some other area. They divided them into quartiles based on academic achievement, finding that only 6.2 percent of those in the top quartile entered teacher training, compared with 12.5 percent of the entire population of graduates.[90]

Similarly, *Education Week* tracked the top quartile of 1992–93 college graduates, based on their SAT or ACT scores, and found that just 14 percent entered some type of teacher preparation program, 12 percent actually taught, and only 11 percent stayed in the teaching profession through 1997.[91] Economists Dale Ballou and Michael Podgursky find that most school districts place little emphasis on content knowledge when hiring a teacher other than absolute grade-point averages, with little regard to the quality of the institution or the academic program from which the candidate graduated.[92]

Why are high-achieving candidates turned away from teaching? Is it low salaries or the prospect of working in low-income, underachieving, urban neighborhoods? Podgursky and Ballou find that more-qualified candidates are less attracted to teaching for two main reasons.

One, the teacher credentialing process represents a high barrier to entry, especially to those for whom the opportunity cost is high. Why would an accomplished college graduate pass up an opportunity for another, perhaps higher-paying job if he or she had to go through an elaborate certification process in order to get hired as a public-school teacher? Second, even if the higher-achieving candidate obtains his or her credential, Ballou and Podgursky find that after reviewing data on recent college graduates, "applicants from more selective colleges do not fare better in the (teaching) job market; indeed, remarkably, they do somewhat worse."[93]

If teacher hiring policies often identify the wrong candidates, why is this the case and what has been the experience in California? One answer is that, as previously mentioned, California districts often hire re-entrants into the teaching force. For example, in 1999 California hired 28,000 teachers to staff its public schools. According to the CFTL study, up to 40 percent of these new hires were re-entrants into the teaching profession.[94]

Districts tend to look at teachers with previous experience as qualified and competent. In some instances they are correct, in others they are surely wrong. The problem is teacher performance as measured by the impact on student achievement is rarely considered. According to Dr. Peterson, the former schools superintendent, so long as candidates have a teaching credential, "there has to be a strong reason not to take them." Dr. Peterson also maintains that while principals and district staff may have some leverage in whom they hire, many have little input into how their schools are managed after that point.[95]

Furthermore, some California districts have other priorities aside from enhanced student learning when making hiring decisions. For example, the Selma Unified School District outside Fresno encourages, but does not require, schools to hire ethnic minorities, with the goal of diversifying the teaching force. Many of these eventual hires tend to be emergency credentialed teachers. Similarly, the San Francisco Unified School District tries to hire a diverse teaching force and will use emergency credentials to achieve this goal.[96] While hiring people from diverse backgrounds should not be discouraged, any policy that diverts primary focus away from attracting the most competent candidates to increase student achievement should be avoided.

The teacher hiring process varies across the state. Districts advertise openings for positions and then begin interviewing candidates. Dr. Peterson claims that principals tend to have leeway, but often committees make hiring decisions. These panels are usually comprised of the principal or a member of his or her staff, a member(s) of the district office, and teachers. The configuration depends largely on district and school size, but one constant is the involvement of teachers in the hiring process. If teachers have a majority on the hiring committee, it limits the effectiveness and accountability of principals; it is difficult for a principal to be solely responsible for

a staff member he or she does not hire. Dr. Peterson stresses it is vital "to have a cohesive relationship between principals, teachers, and students, but not one where principals' hands are tied."[97]

Limited principal control is a greater problem with filling vacancies and making teacher assignments. Unions, such as the United Teachers of Los Angeles (UTLA), prefer to fill vacancies and base assignments on seniority. Since 1993, LAUSD's teacher contract has demanded that teacher assignments to fill vacancies be based on seniority. Unions prefer this mechanism because it rewards their senior members. However, under such a scheme, principals are left with virtually no discretion in making placements. If a slot in the history or English department opens, principals cannot assign the teacher they think is most competent for the job. Veteran instructors can pick and choose which classes are best for them, regardless of the impact on student performance.[98]

LAUSD's contract also prevents principals from assigning department heads, allowing teachers to select who will fill these important positions. Again, principals have no control in this key area of school management, nor is there any link to student performance. According to Dr. Peterson, LAUSD's seniority and teacher protection provisions are rare. Most district contracts are not as restrictive, relying instead on committees of teachers and administrators to fill vacancies and make assignments.[99] However, as with new hires, any scheme that grants teachers a majority vote is problematic. Principals should be responsible and accountable for the management of their schools. If they are no longer responsible for hiring and placement, accountability and the prospects for improved student performance are diminished.

Don Shalvey is also a veteran public-school administrator and, until summer 2000, superintendent of San Carlos Elementary School District in San Mateo County. San Carlos is a smaller district, consisting of seven schools and 2,500 children.[100] As a result, there is little bureaucracy and principals have wide latitude in the hiring process, often recruiting candidates to work in their schools. Prospective teachers are interviewed by a group of parents, teachers, and administrators, and Shalvey meets with each new teacher before he or she enters the classroom. But Shalvey's district is the exception; its relative size allows principals and parents greater control.

Shalvey estimates that statewide 40 percent of school districts fill vacancies and make assignments using seniority as the crucial determinant. While the majority of districts relies on a variety of criteria, if seniority is included, according to Shalvey, "then the mindset is, seniority is still the deciding factor."[101] As the most populous state, California often sets the trend for the rest of the nation. That reality makes the state's policy on teacher pay, dismissal, and hiring a matter of vital interest.

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Part 2 — California's Experience in Failure

An Innovative Design or a Failed Status Quo?

California Governor Gray Davis made teacher quality his signature education issue for the 2000 legislative year. Little wonder—polls indicate it is at the top of voters' priorities. A February 2000 poll, conducted by the Public Policy Institute of California (PPIC), finds that "putting good teachers in the classroom is ranked by the highest percentage of Californians (35 percent) as the most important ingredient for students to succeed in the state's K–12 schools." Interestingly, increased funding appears not to be the answer, according to most California residents. Only five percent of those polled identify per-pupil spending as the most important element for increasing student achievement.[1]

Governor Davis has supported several teacher quality proposals in his first two years in office. Unfortunately, his programs would spend taxpayer money on expanding the supply of teachers, while doing little to ensure that these new instructors are capable of boosting the performance of their students. In June 1999, as part of his major school accountability plan, the governor included a series of incentives for teachers, including a limited "bonus pay" plan. Under the $50 million program, teachers and other school employees would be eligible for one-time bonuses if they work in underperforming schools. Teachers would have to improve the performance of their students beyond the minimum growth target identified for their individual school by the state's new academic performance index (API). Each school could receive up to an average of $25,000 per eligible employee.[2]

"Funding is supposed to be distributed to teachers in underperforming schools, but the state has a very broad description for this category."

While nominally a performance pay plan, the governor's scheme has two major faults. First, the plan does not directly reward individual teachers by paying them based on the performance of their own students. Instead, once eligible schools receive funding, the local district's collective bargaining agreement will determine how money is allocated to individual instructors.

Second, while the plan costs California taxpayers $50 million for the 2000 fiscal year, the money is spread too thin. Funding is supposed to be distributed to teachers in underperforming schools, but the state has a very broad description for this category. Under the legislation, the state's API defines "underperforming" as any school

in the bottom half of performance on the Stanford-9 standardized test for two consecutive years.

For 1999–2000, 3,144 schools were designated as underperforming—out of a total of fewer than 8,500 schools statewide. EdSource notes, "if the full (bonus pay plan) awards were given, just 2,000 people would receive them. Approximately 3,000 schools—and probably well over 60,000 teachers and other credentialed school employees—make up the pool of possible recipients."[3]

Governor Davis also supported AB 1117, sponsored by Assemblymember Thomas Calderon (D-Montebello), in his first year in office. The bill, which won approval in both houses of the legislature, cost California taxpayers $50 million and provides school districts with funding to raise beginning teacher salaries to $32,000.[4] The statewide average for 1998–99, the most recent data available, was just under $29,000.[5]

"I think it's a noble thing to want to help teachers, but I can't think of a worse policy way to do it."

– State Senator John Burton (D-San Francisco) on Governor Davis's tax plan

This program has many faults as well. For one, even with AB 1117's passage, many new teachers' salaries will likely remain below $32,000. While districts receive additional state money if they implement the program, beginning salaries vary widely across the state, as do the number of eligible teachers. In some districts, including low-performing Los Angeles Unified, beginning teachers already make more than $32,000. Other school districts might easily be able to increase teacher pay, but many low-income districts will find they need additional state aid to raise salaries, without any certainty that uniform pay raises will prove beneficial.[6]

AB 1117 explicitly allows districts to use taxpayer money to hike salaries for beginning and more experienced teachers as well. Even if districts elect to raise only beginning salaries, doing so usually creates a ripple effect where all teacher salaries are boosted, thereby making it more expensive for districts to afford, and less likely to implement.[7] More important, nowhere does AB 1117 mention differential pay based on what subjects instructors teach, or performance pay based on how much students improve while in a particular teacher's classroom.

AB 1117 raises salaries for all teachers—good and bad alike. Raising entry-level teacher salaries is predicated on the belief that it will attract more competent candidates to the profession. But uniform raises will attract more candidates of every stripe. As with Governor Davis's other proposals, it will only increase the supply of teachers, not the relative quality.

Davis made national headlines earlier this year when he announced his plan to exempt California public-school teachers from the state income tax, the first such proposal in the nation. The governor referred to his plan, which would cost $500 million annually, as "bold and big." Yet legislators were less than convinced, including State Senator John Burton (D-San Francisco), president pro tem of the senate, who claimed, "I think it's a noble thing to want to help teachers, but I can't think of a worse policy way to do it."

Under the Davis proposal, only public-school teachers would be exempt, while private and parochial-school instructors, many of whom earn significantly lower salaries, would still be taxed. Furthermore, other equally vital public-sector professionals like police officers and fire fighters would be taxed as well. Even most teacher unions were opposed to the plan, indicating they support teachers paying taxes like ordinary citizens. Lawmakers worried the plan set a dangerous precedent by assigning preferential treatment to one profession, and voted the measure down in committee.[8]

The governor's other proposals in the 2000 legislative year showed little improvement. His major teacher quality bill was authored by Senator Richard Alarcon (D-Van Nuys), with a total cost of around $133 million. It has three major components including a $2,000 one-time award for each newly-hired credentialed teacher who goes to teach in an underperforming school for up to five years. Participating school districts also receive $2,000 for every credentialed teacher they hire, provided they can demonstrate they have curtailed the use of instructors with emergency credentials. All told, this portion of the proposal costs $52.9 million.[9]

The second component makes it more affordable for teachers to find housing if they agree to teach in low-performing schools, again for up to five years. Governor Davis's plan allocates $50 million for forgivable loans of up to $10,000 to help 5,000 teachers in low-income schools buy homes.[10]

The third major component involves teachers who obtain certification by the National Board of Professional Teaching Standards (NBPTS), a private group partially subsidized by the federal government. The governor's proposal provides $10 million for one-time awards of $20,000 to any nationally-certified teacher who commits to teaching in a low-performing school for four years. Governor Davis would spend an additional $5 million, up from $3.8 million last year, on National Board certified teachers who agree to teach in any California school by awarding them with a one-time $10,000 award with no time commitment.[11]

In February 2000, the Legislative Analyst's Office (LAO), issued a report deeply critical of the governor's new education programs. According to the LAO, incentives for teacher recruitment are not targeted to the schools that need them most. While available research indicates that the problem of too few credentialed teachers is concentrated in about 20 percent of the state's public schools, the governor's plan would aim its incentives at teachers in the bottom 50 percent of the state's schools.[12] Fifty percent of the state's schools will always be in the lower half regardless of whether the schools improve over time. The LAO points out that, "this definition is overly broad and has no relationship to the problem the proposal seeks to address." Moreover, "by offering the same incentives for teaching at a relatively attractive school as for teaching at a school in distress, the incentives would divert qualified teachers away from the schools that need them most."[13]

The LAO is equally critical of the measure to offer teachers forgivable housing loans. The loans would be managed by the California Department of Housing and Community Development (HCD), not local district and school administrators. HCD would distribute loans on a first-come, first-served basis. According to the LAO, "the

proposal completely bypasses local school officials, who would have no way of assuring the incentives reach the individuals they need to hire."[14]

The LAO also has problems with the governor's proposal to reward National Board certified teachers. Specifically, the LAO is skeptical of certification's impact on teacher quality, claiming that "while National Board certification is certainly an honor, it is less clear that the certification process improves an individual's teaching abilities."[15]

National Board certification is a new fad in public education. Since 1998–99, California has provided $10,000 bonuses to nationally-certified teachers in the state's schools. Federal funds are available to finance about half of the $2,000 application fee that is required for California teachers to obtain certification. In the Los Angeles Unified School District, teachers who earn certification receive a 15-percent increase in their base pay.[16]

The NBPTS was founded in 1987 and has received active support from the Clinton administration and the nation's teacher unions. The NBPTS provides certification to teachers across the country as an alternative to individual state credentialing procedures. National certification advocates view the NBPTS as public education's version of private boards that certify doctors, lawyers, and other professionals. [17] Over the next decade, President Clinton has set a goal for certifying 105,000 teachers in every state nationwide.[18]

Unfortunately, there is no evidence that NBPTS certified teachers produce superior student achievement. No comprehensive examination of certified teachers' impact on student performance has ever been conducted. Instead, NBPTS emphasizes producing teachers who will foster, "caring, inclusive, stimulating, and safe school communities"—of which there is similarly no evidence.[19]

Teachers should be free to pursue NBPTS certification, but the program's lack of clear results gives policymakers little reason to invest in it. As for evaluating teachers and holding them accountable for performance, Governor Davis has endorsed a model used elsewhere to answer criticism that unions unfairly protect incompetent teachers.

Peer Review and its Flawed Model

One of the governor's touted legislative accomplishments of his first year in office was AB 1X, the $125 million Peer Assistance and Review (PAR) program. The legislation was drafted in the special session on education the governor called shortly after his inauguration in January 1999. Eighty-three million dollars of the funding for PAR comes from the state's Mentor Teacher Program, which PAR will eventually replace after the program is phased out in January 2001.[20]

Peer review is part of a larger goal for the National Education Association (NEA), referred to as "new unionism" by NEA President Bob Chase. Unfortunately, neither Chase nor any other major union figure has defined what "new unionism" actually is. In a February 1998 speech on the topic, Chase was vague except to say that educational quality would now be the NEA's highest priority. Peer review is meant to be

the principal vehicle to achieve this goal, providing teachers with a greater role in improving teacher performance and terminating those instructors who continue to perform poorly after receiving assistance.[21]

However, a year earlier Chase helped push through model peer review language during the NEA's annual summer convention. The language contained several caveats, most noticeably that "assistance" not "review" was to be any program's primary goal. Also, specifics of any peer assistance or review program were to be devised at the district level, preferably through collective bargaining. Other caveats included teachers deciding who the mentor or consulting teachers would be and having an equal number of union representatives and district officials on any review panel. The language makes no mention of a streamlined dismissal procedure for tenured teachers who continue to fail after receiving assistance.[22] Despite the rhetoric, NEA's model version of peer review prevents incompetent teachers from being held accountable if their students' performance continues to languish.

Unfortunately, it was largely this language that Governor Davis and the legislature adopted for California. Under the Davis package, state funding increases are tied to districts selecting specially chosen mentor teachers to evaluate the performance of their colleagues. While the legislature provides more money to districts if they adopt the program quickly, it left the specifics of the plan to be hammered out in local collective bargaining agreements.

"According to Dr. Myron Lieberman, existing peer-review plans fail to hold incompetent instructors accountable for their poor performance."

All of the important guidelines, such as what criteria are used in selecting mentor teachers, if teachers are merely counseled or evaluated, and what accountability measures, if any, are implemented for incompetent instructors, are to be spelled out in district contracts. Thus, unions are not only granted a wider role in teacher assistance and evaluation, they ultimately help decide if failing instructors are dismissed or allowed to continue teaching.

According to Dr. Myron Lieberman, existing peer-review plans fail to hold incompetent instructors accountable for their poor performance, nor do they help boost student achievement. In his 1998 book, *Teachers Evaluating Teachers*, Lieberman details the shortfalls of peer review by examining several school districts, including the Toledo, Ohio district, which has had a peer-review plan in place since 1981. Despite being hailed for its innovative design, Dr. Lieberman claims the program does little to counsel or dismiss failing instructors, and has no impact on student performance.[23]

Toledo is one of the few districts where the local union has an official role in dismissing tenured teachers. After a teacher evaluation is completed, the respective principal and union representative for the school must mutually decide to intervene, placing a tenured teacher under review and forcing him or her to take a special course to improve performance. Subsequently, a Board of Review, which is mandated to have a majority of union members, must uphold the decision before an intervention can take place. Not only is the process two-tiered, but the union has an essential veto over interventions.

Between 1981 and 1993, out of approximately 4,000 tenured teachers who worked in the district, there were only 44 total interventions. Furthermore, each year in Toledo only 1,100 tenured teachers were evaluated out of a staff of 2,500. According to Dr. Lieberman, as of 1997, some tenured teachers had not been evaluated since 1970.[24] While the number of evaluations and interventions is shockingly low, so is the number of firings.

Of the more than 4,000 tenured teachers in Toledo between 1981 and 1993, only 32 retired, resigned, or were fired through the peer review process. Thus, while peer review supposedly holds out the promise of boosting teacher performance and facilitating the dismissal process, over a 12-year period only one percent of the tenured teachers in Toledo was actually placed in an intervention program. Even fewer lost their jobs as a result of poor performance. And, according to Lieberman, "not even the most ardent supporters of peer review have been able to cite any improvement in student achievement clearly attributable to peer review that justifies the expenditures."[25]

"Prior experience suggests that peer review will hardly be the panacea that Governor Davis and other supporters have proposed."

Because of the strong union presence in the state's school districts, and the legislative requirement that specific details be negotiated at the district level, it is likely that most California peer review plans will resemble the Toledo model. Under the California law, districts receive more funding if they adopt peer-review guidelines by July 2000. Several districts have moved to negotiate language into their contracts, but the results so far have been less than promising. For example, the 36,000-student Mt. Diablo Unified School District implemented peer review in the fall of 1999. Since that time, only one teacher out of 1,850 has received an unsatisfactory evaluation, which requires the instructor to participate in the program, and no veteran teachers have volunteered to be reviewed.[26]

Prior experience suggests that peer review will hardly be the panacea that Governor Davis and other supporters have proposed. The effects of peer review in Toledo and other school districts have been minimal, aside from widening the scope of union involvement in district affairs. While he has relied on popular but unproven reforms, Governor Davis has said very little about attacking the heart of the teacher performance problem. District contracts limit the flexibility of school principals to hire and assign teachers, and to dismiss incompetent instructors when performance fails to improve. "That," says Dr. Lieberman, "would be reform with a chance for the kind of accountability Governor Davis says he wants."[27] Unfortunately, accountability is not a strong suit of California's gigantic government-run school system.

State and District Management of Teachers: A Lesson in Failure

In the 1999–00 school year, California's nearly 1,000 school districts operated more than 8,500 schools, with a statewide enrollment of close to six million children. Dis-

trict size runs the gamut from the Los Angeles Unified School District, which in 1999–00 had more than 700,000 children in 655 schools, to small, rural districts like Casmalia Elementary School District in Santa Barbara County, which operates one school with an enrollment of 22 students.[28] Despite California's sheer size and diversity, school management is controlled by bureaucracy, state mandates, and rigid collective bargaining agreements between local districts and teacher unions.

While studies like those by Dr. Sanders confirm that teachers constitute the integral element of a child's education, there are more non-teachers than teachers in the California public-school system. In the 1998–99 school year, there were 284,030 teachers in public schools statewide. Counting office support staff, janitors, school counselors, and other professionals, there were 296,676 non-teachers in California public schools.[29]

Moreover, the specifics of school management are not controlled by parents, principals, and teachers, but are codified in the state's education code and district collective bargaining agreements. California's education code is 9,000 pages long and directs a variety of school activities, including instructional practices, which textbooks will be used in the state's classrooms, and the specifics of professional development for public-school teachers.

Perhaps most important, the lengthy education code also details personnel practices with regard to teachers, allowing teachers to obtain "permanent status" or tenure. Once instructors receive tenure, they are granted significant job-protection. The code also spells out the Byzantine procedure for dismissing a tenured teacher which, in practice, is a lengthy, arduous, and costly affair for local school districts.

District collective bargaining agreements also limit flexibility at the school level. The vast majority of California's more than 900 school districts uses collective bargaining. District contracts not only codify labor relations with teachers and other school employees, they also have a significant impact on academic and instructional policies. Agreements are negotiated between school districts' governing boards and the local union. In the majority of California school districts, one union represents that district's teachers and attempts to include as many provisions as possible in the contracts.

Collective bargaining in California school districts was established as a result of the Educational Employment Relations Act, which passed the legislature in 1975. Known as the Rodda Act, named for the bill's sponsor, former state Senator Al Rodda, the law originally limited the scope of bargaining to "matters relating to wages, hours of employment, and other terms and conditions of employment." Since that time, however, the scope has increased to include a wide-range of items that have significant impact on school management. Many contracts now include provisions that relate to class-size reduction, assignment of instructors, teacher strikes, and layoff and reemployment procedures.[30]

The widening scope of collective bargaining is increasingly important as more and more school reforms are contemplated by lawmakers in Sacramento. While policies like class-size reduction and peer review are devised on the state level by Governor

Lack of Correlation Between Salaries and Student Performance (1999)

District	Average Salaries	10th-Grade Average Math STAR	10th-Grade Average Reading STAR	Four Year Drop-Out Rate
Oakland*	$52,196	30	19	22 percent
Santa Clara	$48,615	49	33	4 percent
San Diego	$47,223	46	35	14 percent
Los Angeles	$46,554	30	20	19 percent
Elk Grove	$45,813	41	33	17 percent
Anderson	$43,652	50	34	13 percent
Clovis	$42,928	60	48	11 percent

* *Includes new salary raise. Salary cited is pay for a teacher with 10 years experience, which closely resembles the district average.*

Davis and his colleagues, implementation of these programs is largely dependent on district contracts. In many instances, district officials and union negotiators have the final say over what type of reform takes place.

Most important, the rigid nature of the state's education code and district contracts is not outcome-based. While innovative school reforms put a premium on student achievement, the current system in California is overly prescriptive, denying parents, principals, and teachers the flexibility they require to boost academic performance. Says Daisy Lee, principal of Sacramento's McClatchy High School, "We cannot make teachers do anything they do not want to do, even if we think it will be good for the students."[31]

While a survey of all California districts is a task beyond the scope of this paper, *Unsatisfactory Performance* examines a representative sample of urban, suburban, and rural districts.

Anderson Union High School District

Anderson Union High School District is similar to many rural, northern California school systems. Located in Shasta County, the district enrolled 2,576 students in grades nine through 12 in five schools during the 1998–99 school year, and employed 113 teachers. The district's demographic trends are not representative of the entire state, and income levels tend to be comparable or slightly better. In 1998-99, 85 percent of the district's students were white, compared to only 38 percent statewide. Six percent of the students were Hispanic, while the statewide average was more than 41 percent. Less than one percent of the district's children was designated English-learner, while the statewide figure was closer to 25 percent. Just under 40 percent of district students were eligible for free or reduced meal plans, while the statewide average was almost 48 percent. However, more than 17 percent of district students received assistance from CalWORKS, formerly referred to as Aid to Families with Dependent Children (AFDC), while only 16 percent of students statewide received similar help.[32]

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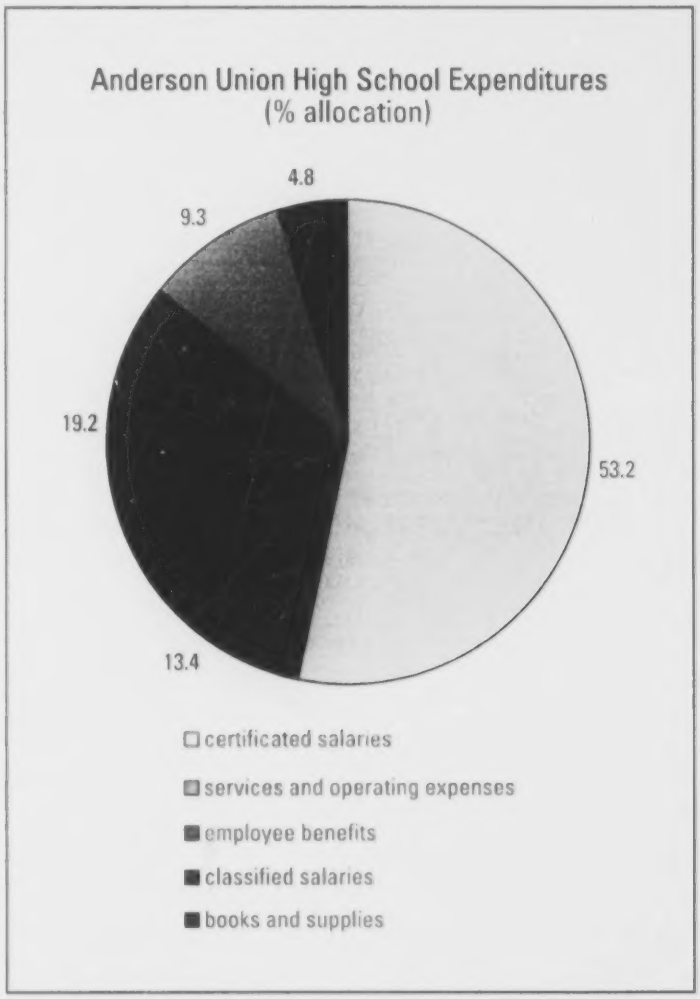
Academic performance among Anderson students on the 1999 Stanford-9 standardized test (STAR) was higher than statewide averages. In grade nine, on the reading section 38 percent of district students scored above the 50th percentile, while the statewide figure was 34 percent. In grade 11, 39 percent of district students scored at similar levels, with a statewide average of 35 percent. On the math section, Anderson students performed even better. In grade nine, 57 percent of students scored above the 50th percentile, while the statewide average was 48 percent. In grade 11, the Anderson average was 53 percent while the statewide figure stood at 45 percent.[33] Despite better-than-average test performance, Anderson's four-year drop-out rate was 13 percent, compared to 12 percent statewide, and 32 percent of its graduates were eligible for UC or CSU admission, while the state average was 37 percent.[34]

Outlays to schools in the Anderson district were not higher than statewide averages. The average base teacher salary in Anderson, excluding benefits and any stipends or bonuses, was $43,652 in 1998-99. The average base teacher salary across the state was significantly higher at $46,129, but the beginning base salary in the Anderson district was $29,642, while the California average was slightly lower at $28,798. Teachers could earn up to nearly $59,000 in base pay (the CDE maintains no state average for this category).[35]

The share of the district's operating budget dedicated to salaries mirrors statewide averages, with more than 53 percent of expenditures dedicated to that purpose. Another 20 percent of the district's budget is allocated to employee benefits, with a statewide average for benefits totaling more than 16 percent of districts' operating budgets.[36] Like most districts, Anderson offers generous employee benefits, and participates in health, dental, vision, and life insurance plans.

Anderson's teacher contract restricts the flexibility of principals in managing their staffs. According to the contract, teachers will be given their class assignments by June 5 of each school year. If a principal wishes to reassign a teacher from one department to another, he or she must first meet with the teacher in question and provide the reasons for the reassignment in writing. The contract



also reads, "In making such reassignments, consideration shall be given to such factors as employee's experience, interests, credentials, and major and minor fields of study, and the established requirements and duties of the assignment."[37] Nowhere is there specific mention of student performance in reassigning teachers, nor is there any mention of principal discretion.

Similarly, before an Anderson teacher is involuntarily transferred, school principals must go through a series of hoops and hurdles. Principals must first meet with the teacher before transferring him or her, and provide their reasons for doing so in writing. The list of reasons for transferring is the same as the list for reassigning teachers, and makes no mention of student achievement. Furthermore, if a teacher does not approve of his or her transfer, the contract states he or she must be given the opportunity to be considered for other open slots.[38] As with other districts, Anderson's collective bargaining agreement provides several protections for teachers regardless of performance. Unfortunately, teachers' impact on students is not considered.

Despite Anderson's restrictions on principals' decision-making, the state's teacher shortage has not impacted the district. While 10 percent of the state's teachers lack full credentials, according to the CTC, Anderson only requested six emergency permits or waivers in the last half of 1998, roughly five percent of the district's teaching force (the actual number of teachers on emergency permits in Anderson and other districts is slightly higher because there are some instructors who received emergency permits outside these dates).[39] The district also does not anticipate any major hiring initiatives. While the CDE estimates more than 25,000 additional hires across the state for the 2000-01 school year, Anderson only anticipates hiring an extra teacher for special education.[40]

Staff development for Anderson teachers reflects other practices across the state, with three development days over the course of the school year. According to district officials, over the last 10 years there have been 10 teacher dismissals, only one of tenured personnel.[41] Anderson is an example of a small, rural district, with generally solid achievement levels. Salaries, benefits, and other expenditures are similar to statewide averages, and the district faces no impending shortage of teachers or other looming crises. Anderson is typical of many California districts that are performing well without massive state intervention.

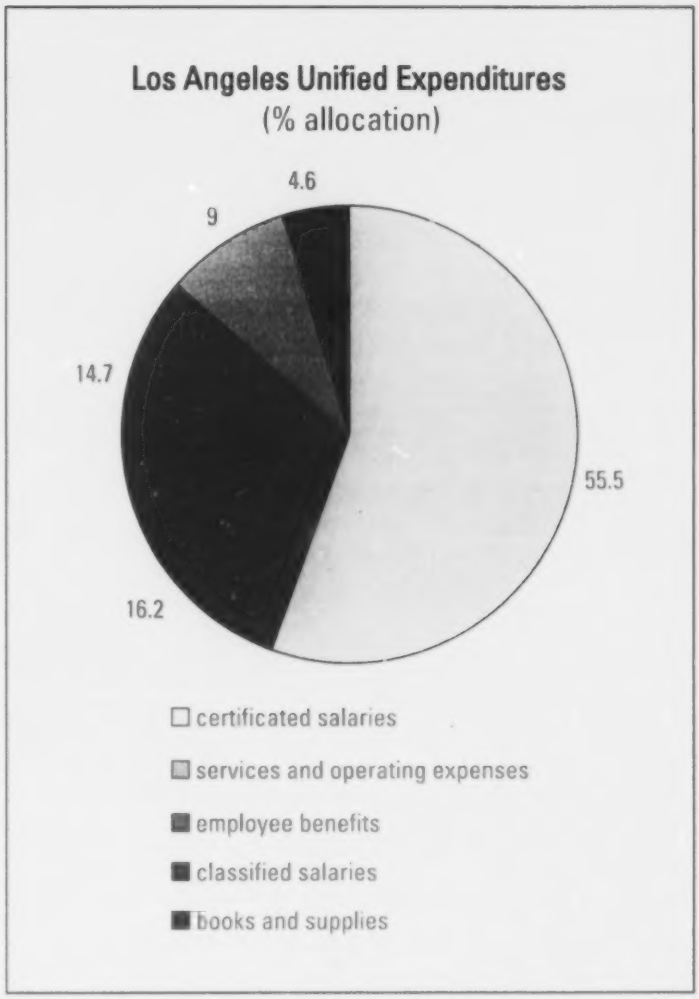
Los Angeles Unified School District

The Los Angeles Unified School District (LAUSD) is California's largest school district, second in size nationally only to New York City. Close to 696,000 students in grades K–12 were enrolled in the district's schools in 1998–99, more than three times the number of the closest California district. In that same year, the district operated 654 schools and employed 33,847 teachers.[42] The district's demographics and performance have a tremendous impact on the state's schools. Despite being one of more than 900 school districts in the state, roughly 11 percent of California public-school

students were enrolled in Los Angeles Unified, while 12 percent of the state's teachers were employed by the district. Thus, LAUSD is the bellwether for California districts.

The district is heavily minority. Sixty-nine percent of enrolled students were from Hispanic families, compared to a statewide average of 41 percent in 1998–99. African Americans made up 14 percent of district students, while only nine percent of the state's students were African American. All told, 90 percent of Los Angeles students are minorities. Los Angeles also has a high number of special population students, with 45 percent classified as English-learner compared to a state average of 25 percent.

Seventy-four percent of Los Angeles students qualify for free or reduced meal plans, while 48 percent of all California students were similarly designated. Twenty-five percent of district students receive assistance from CalWORKS, again higher than the state's average of 16 percent.[43] The dismal performance of students in Los Angeles has been the subject of many news reports.



In grade three, reading and math scores on the STAR test were 20 and 13 points below state averages in 1999. By grade seven, the achievement gap persisted, with Los Angeles trailing the state by 19 points in both reading and math. In grade 10, scores remained significantly behind state trends, with gaps of 13 and 14 points in reading and math, respectively. District scores were also behind county averages, while English-learners performed worse in Los Angeles Unified than other similarly designated students in other districts across the county and state.[44]

The district's four-year drop-out rate is 19 percent, while the state's is 12 percent. Eighty-nine percent of these drop-outs are minorities. The only positive news is that the percentage of graduates eligible for admission to UC or CSU is 47 percent, compared to 37 percent across the state.[45] Many of those admitted, however, need remedial math and English. Despite stagnating performance, those Los Angeles teachers who fail to boost student learning have suffered few consequences.

Uniform teacher salaries continue to rise, with the average annual base salary total-

ing $46,554 in 1999–00, a gain of four percent since 1996. The state average is lower, $46,129. Top-tier teachers earn more than $61,000. Beginning salaries are already well above state averages. In 1998-99, the entry-level base salary for a fully credentialed teacher in Los Angeles was $32,558, well above the state average of $28,798.[46] Moreover, in April 2000, the district announced a retroactive raise that would boost beginning teacher pay in 1999 to $37,000, excluding benefits and stipends.[47]

The pay raise for beginning teachers appeased many in the United Teachers of Los Angeles (UTLA), the local teachers union. District officials had already stoked a political fight earlier in the year, when interim superintendent Ramon Cortines announced individual teacher incentives based on how well students improve on the STAR test.

The district plan also included a uniform six percent pay raise but drew union ire for proposing to reward teachers who boost student performance or fill an urgent staffing need. Under the proposal, teachers in any Los Angeles school would be eligible for a $2,000 raise if they improve their students' STAR scores above the target specified by the state's academic performance index (API). If an instructor teaches in a Los Angeles school with scores in the bottom half of the API and succeeds in boosting student performance above the target, he or she would be eligible for a $3,000 raise. Teachers who develop skills that are in demand, particularly in math and science where the district faces acute staffing shortages, would be eligible for an additional $2,000 raise.[48]

"Los Angeles Unified is part of the approximately 12 percent of school districts across the state where more than 20 percent of the teaching force lack full credentials."

Explaining the plan, the district's chief operating officer, Howard Miller, said, "the system right now has failed a great many of our students. We believe that proof of performance has to precede additional funding." The school board passed the proposal in April, setting the stage for a major fight with the UTLA. Union President Day Higuchi claimed the board's adoption of the performance incentives amounted to a "declaration of war." He threatened a strike if the district continues to insist on including it in contract negotiations. [49]

The UTLA would eliminate the performance incentives, and replace the six percent uniform raise with a larger 21-percent hike for all teachers, a portion of which would be imposed retroactively. The union is also making other demands, such as retaining the stipend for bilingual teachers, which the district favors ending. In the 1999-00 school year, bilingual teachers remained eligible for a 15-percent raise on top of their base pay, despite the implementation of Proposition 227, which ended strict bilingual instruction in California schools a year earlier. Despite the union's call for more money, a significant portion of expenditures is already allocated to teacher salaries, close to 55 percent of the district's budget. Another 15 percent is allocated to benefits, which translates to approximately 70 percent of district outlays earmarked for teacher compensation.[50]

The union also wants to preserve contract provisions requiring teacher assignments based on seniority instead of competence.[51] If elementary-school teachers are

displaced because of excess teacher supply at a particular school, then, according to the contract, "when there is an over-teachered condition, the teacher with the least district seniority will be displaced." Furthermore, if a secondary school teacher with at least 10 years experience is displaced because of excess supply in a particular academic department, he or she is allowed to transfer departments "and thereby cause the displacement of another teacher in the other subject field who has at least five years less District seniority than the initially displaced teacher."[52]

Perhaps most disturbing is another contract clause that reads: "No voluntary or involuntary teacher displacement may occur where that particular displacement would adversely affect the faculty racial and ethnic balance in a school."[53] As a result of California's Proposition 209, which was enacted into law in 1996 and was later upheld by federal and state courts, race-based hiring and preferences in state government, the UC and CSU systems, and public schools are outlawed. LAUSD's explicit policy of maintaining racial and ethnic "balance" among its schools' faculty appears to conflict with this voter-approved constitutional mandate.

LAUSD's teacher contract also recognizes a variety of conditions, such as medical and hardship exemptions, which prevent principals from organizing their staffs in a manner benefiting students. Despite its dismal achievement record, the district and the local union continue to ensure the school system shields teachers, especially incompetent ones, at every turn. Principals are expressly forbidden from assigning and transferring teachers according to ability if it deviates from the protections that are codified in the bargaining agreement. Furthermore, of all the conditions principals must take into account in organizing their staffs, none explicitly mentions improving student performance.

Los Angels Unified is part of the approximately 12 percent of school districts across the state where more than 20 percent of the teaching force lack full credentials. The recent Center for the Future of Teaching and Learning study estimated that 25 percent of Los Angeles teachers possess only emergency permits or waivers. Fully two-thirds of schools across Los Angeles Unified have 20 percent or more teachers who lack complete certification, while 75 percent of first-year Los Angeles teachers were similarly designated in 1998–99.[54] The district now estimates it will need to hire an additional 4,000 teachers for the 2000–01 academic year, with the largest number of vacancies in the elementary grades, followed by special education, bilingual education, math, and science.[55]

While the district's failing record, despite above-average levels of per-pupil spending, would suggest that incompetence is rampant, the number of Los Angeles teachers who are fired or forced to resign for incompetence is shockingly low. For example, in 1998–99, according to district records, there were only 71 dismissals of tenured and probationary personnel combined, approximately one-fifth of one percent of the district's teaching force. Only 118 probationary teachers were not re-offered contracts for cause, while there were a mere 39 resignations in lieu of dismissal for probationary and tenured employees. The district also reports that fewer than 200 teachers fail to pass evaluations each year.[56]

Most shocking are data compiled by the Office of Administrative Hearings (OAH), which reports only 13 dismissal panels convened for proceedings involving tenured teachers in Los Angeles since 1990. During the entire decade, only one of the 13 cases was not settled.[57]

By all accounts, LAUSD is one of the state's worst districts. Student achievement levels continue to stagnate while teacher salaries rise, for good and bad teachers alike. Although the district has proposed rewarding successful teachers for their positive impact on student performance, the unions that are supposed to represent these high-achieving professionals have threatened to strike if the measure is implemented. Moreover, the district already spends a great deal on its schools, allocating the vast majority of its money to teacher compensation.

Strict credentialing requirements force LAUSD to struggle to staff its classrooms with qualified personnel, and the district is further limited by the number of alternatives it can pursue. According to the district's teacher contract, salary schedules only reflect seniority and the number of degrees teachers earn, but do not consider performance or different staffing needs in various subjects. The contract also forbids principals from organizing their staffs efficiently, and emphasizes teacher seniority and race, not ability, in making assignments and transfers.

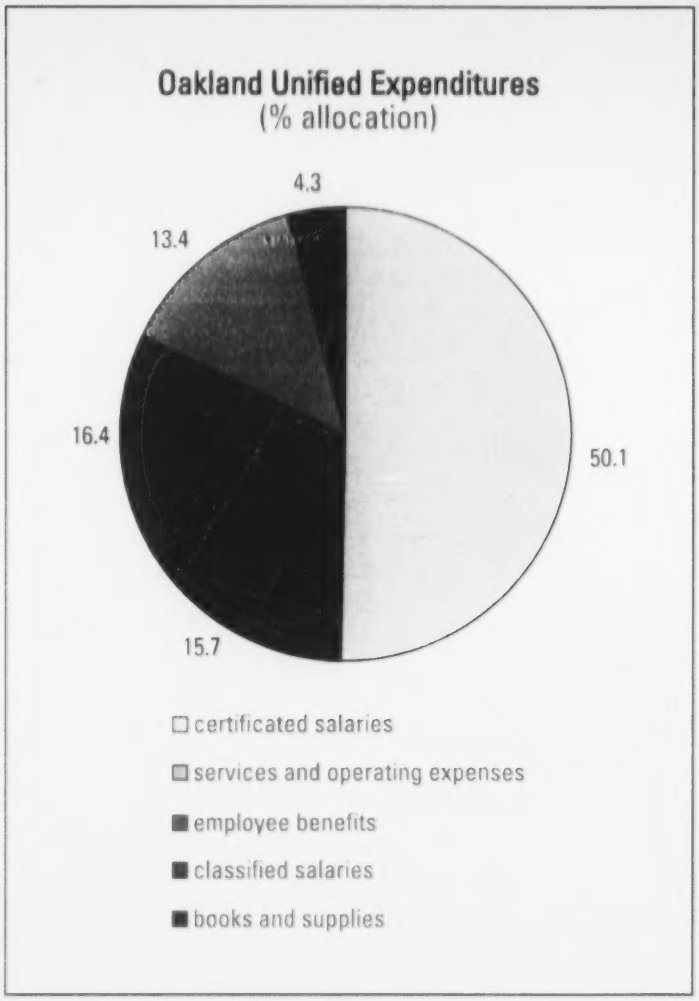
Not surprisingly, according to a *Los Angeles Times* poll, most people living within LAUSD rank education as their number one concern. Close to 70 percent of white parents rate their local schools as fair to poor, while 94 percent of African-American parents rank their local schools similarly. The majority of parents surveyed believes that teachers should be paid more, but on the basis of performance, not years of service. Los Angeles residents acknowledge that a significant factor behind students' declining achievement is the ineffective management of district teachers, which rewards mediocrity while punishing innovation and success.[58]

Oakland Unified School District

While Los Angeles receives a failing grade for its schools, Oakland's performance is even worse. Recently, the district received nationwide notoriety after trying to implement Ebonics, a type of street slang, in its language curriculum. Yet the district's problems run far deeper than this prominent news story, and it represents one of the state's most deeply troubled school systems.

The primarily inner-city district operates 91 schools, enrolls more than 54,000 K–12 students, and employs about 2,800 teachers. The student population is even more heavily minority than Los Angeles, with 94 percent of all students being nonwhite. While minority students in Los Angeles are overwhelmingly Hispanic, close to half of all children in Oakland schools are African American. About 25 percent are Hispanic, while the district also enrolls a sizable proportion of Asian students, accounting for 17 percent (compared to a state average of eight percent). [59]

As in Los Angeles, Oakland students are extremely poor, with 61 percent qualifying for free and reduced lunch programs, and 42 percent coming from families eligible to receive assistance from CalWORKS. Both figures are considerably above state averages.[60] Most troubling is Oakland's disastrous record of student achievement.



On the state's STAR test, at all grade levels, Oakland scores lag considerably behind state averages. For example, in grade two on both reading and math tests, only 35 percent and 41 percent of district students scored above the 50th percentile, while the state averages are 44 percent and 49 percent, respectively. By grade seven, performance had worsened, with Oakland students now scoring almost 20 points below their counterparts in other districts across the state. In grade 10, performance had improved slightly, but still lagged more than a dozen points below state trends.

Students designated as English-learner also perform below state averages, with achievement worsening the longer they remain in the system.[61] A full 22 percent of Oakland students drop out during their high school years, compared to 12 percent statewide. Moreover, 67 percent of graduating seniors are not eligible for UC or CSU, worse than the state's average of 63 percent.[62] Even more disturbing is Oakland's ranking on the state's recently released academic performance index (API).

The index is tied to the STAR test with a possible 1,000 points and a target of 800. Each public school in the state receives a number grade one through 10, depending upon its performance. In Oakland, only 16 out of 91 schools, less than 20 percent, scored above a five. Five out of six high schools scored below a five, and none reached the raw target score of 800. Meanwhile, none of the district's elementary schools scored in the top half of schools in the state.[63]

In 1998–99, a beginning teacher earned $29,260 in base pay, just above the state average of $28,798. The average base teacher salary in Oakland was lower, $42,600 compared to a state figure of $46,129. The highest base salary offered was $55,009.[64] Despite abysmal student performance, district officials and the local union recently approved a significant pay hike for Oakland teachers to be phased in over three years.

Under the plan, beginning salaries will increase to approximately $38,000 annually. Salaries for 10-year veteran teacher will rise from $42,145 to $52,196, while the pay ladder will eventually top out at $68,144 annually, instead of the current $55,009. Sheila Quintana, the Oakland teacher union president, boasted, "This is the best contract in Alameda County, we will not be walking out." As in other districts, all of the salaries exclude any potential add-ons teachers might receive. Unfortunately, while teacher pay continues to escalate, Oakland students continue to fall further and further behind.[65]

Close to 18 percent of district expenditures are spent on employee benefits, while the state average was 16 percent. All told, 68 percent of district expenditures are allocated for teacher compensation. Compared to other districts, Oakland spends a lopsided amount on services and operating expenses, 13 percent versus nine statewide.[66] Based on the district's track record, one might question the impact of these funds for "services" and other expenses on student achievement.

Like Los Angeles, Oakland's teacher contract limits school principals' flexibility. According to the contract language, principals must adhere to the following three guidelines in making teacher assignments:

- Possession of the appropriate California teaching credential
- Qualifications and experience
- Affirmative action

The contract goes on to say, "if the above factors are equal for candidates, seniority in the District shall be given preference in granting an assignment."[67]

The contract's explicit consideration of a teacher's race and/or ethnicity in making assignments seems to raise legal questions. Just as in Los Angeles, California's voter-approved Proposition 209 expressly forbids race preferences in government hiring and contracts, including the state's public schools. Oakland's contract also designates seniority, not performance, as the deciding factor provided two candidates have sufficient credentials, qualifications, and experience, and that neither upsets the racial "balance" on a school's faculty. According to the contract, "teacher-initiated transfers will be granted. In making the transfer, the convenience and the wishes of the teacher shall be given strong consideration."[68] Yet principals do not have the same leeway if they initiate teacher transfers. There are several steps principals must go through, including written notification to the teacher in question over a specific period of time, meeting with the teacher and district administrators, and discussion of alternative vacancies that might be available.

If a school is consolidated and teachers are forced to transfer, principals must consider two factors—affirmative action and the credentials and legal qualifications of the teachers involved.[69] Oakland's contract is designed to accommodate teachers regardless of their performance in the classroom. Meanwhile, principals must navigate through a complex series of regulations to assign and transfer teachers. As in other districts with restrictive teacher contracts, there is a tremendous disincentive for principals to aggressively intervene if a teacher's performance stagnates. If students

in one teacher's classroom continue to fall further and further behind, transferring the instructor is an ordeal that many principals understandably wish to avoid. Even more important, principals cannot assign and organize their teachers without adhering to a rigid set of rules and regulations that are not tied to maximizing student output.

Like other urban districts, Oakland faces a shortage of qualified teachers in certain subject areas. For example, in 2000–01 the district anticipates a shortage of 355 teachers. Despite the passage and implementation of Proposition 227, over half of the new hires are bilingual education teachers. Special education teachers account for 65 of the new positions, while 31 science teachers, 22 social science instructors, and 19 math teachers are needed. Meanwhile, the district only requires an additional 18 English and drama teachers combined, three art instructors, and two foreign language teachers.[70]

According to the CTC, in 1997–98 Oakland was one of only 19 districts statewide that employed more than 100 teachers who were less than fully certified, accounting for 20 percent of its teaching force.[71] The district's reliance on uncredentialed teachers does not appear to be slowing. Between March and November 1999, the number of Oakland teachers with emergency certificates rose from 481 to 825, an almost 100-percent increase in eight months.[72] As in other districts, staff and professional development in Oakland appears to be poorly organized with little strategic planning or long-term goals.

"California's voter-approved Proposition 209 expressly forbids race preferences in government hiring and contracts, including the state's public schools."

According to district records, Oakland maintains three work days not dedicated for instructional purposes during which time staff development can occur. A recent state audit also criticized Oakland for failing to implement a meaningful evaluation process for its teachers, claiming, "the evaluation of all personnel has not been a district priority," and that "evaluations must be seen as a priority by the administration, starting at the top."[73] Equally troubling is the lack of accountability in the Oakland system.

Despite repeated attempts to reach them, several district officials neglected to respond to this study's authors regarding the number of tenured teachers fired for poor performance, or who resigned in lieu of dismissal. According to the OAH, dismissal procedures have only been initiated against nine teachers since 1990, with six cases settled outside the process.[74]

Oakland's record is indeed a shameful one. Student performance is well below state averages on standardized tests and drop-out rates are far higher than the norm. Based on the recent pay increase, Oakland teacher salaries are inversely related to student performance, and fail to distinguish between good and bad teachers. Furthermore, Oakland spends a great deal of money usually allocated for salaries on miscellaneous expenses that have negligible impact on student achievement.

Despite having different hiring demands for different subjects, salaries are uniform across disciplines. Like Los Angeles, Oakland's teacher contract places more emphasis on teachers' seniority and ethnicity than on ability, and takes crucial

staffing decisions out of principals' hands. The district also continues to hire bilingual teachers two years after voter-approved Proposition 227, now state law, ended the practice.

Above all, the district suffers from an acute lack of accountability. Students continue to fall further behind, but no teacher or administrator is held responsible. Only children suffer the consequences. Some policymakers claim that Oakland's demographic make-up and low socio-economic level are largely responsible for the district's ineptitude. But any district that does not promote accountability for student performance and challenge all children to learn is destined for failure.

San Diego City Unified School District

San Diego is the state's second largest school district, serving 138,433 K–12 students in 178 schools, and employing 7,141 teachers during the 1998-99 school year. While the district enrolls large numbers of minority and low-income students, it is not as imbalanced as Los Angeles and Oakland. For example, while only 28 percent of San Diego students are white (below the state average), only 36 percent are Hispanic, compared to a statewide average of 41 percent and a LAUSD average of close to 70 percent. While 17 percent of San Diego students are African American (above the state average), Oakland's student population is almost 50 percent African American. All told, 72 percent of San Diego students are minority, while 90 and 94 percent of Los Angeles and Oakland students, respectively, are minority.[75]

Similarly, fluency rates and income levels are not as depressed in San Diego as in Los Angeles and Oakland. While more San Diego students are designated English-learner than the state average, 28 percent compared to 25 percent, the LAUSD figure was far higher at 45 percent. Sixty-two percent of San Diego students are eligible for free and reduced meal plans (above the state average), placing its proportion in between Oakland and Los Angeles. Twenty-one percent of San Diego children are in families that receive assistance from CalWORKS, while the state average is 16 percent. However, 25 percent of families in LAUSD receive similar assistance, while the figure in Oakland is 42 percent.[76]

Considering San Diego's size and the considerable number of under-privileged children it serves, academic performance is quite strong. In grade two, reading and math scores on the STAR test are above state averages, including non-fluent students. By grade seven, performance has slipped some, but students score roughly at the state average, while in grade 10 achievement rebounds slightly, with San Diego students scoring slightly above statewide trends. [77] As previously noted, student performance in Los Angeles and Oakland is quite low.

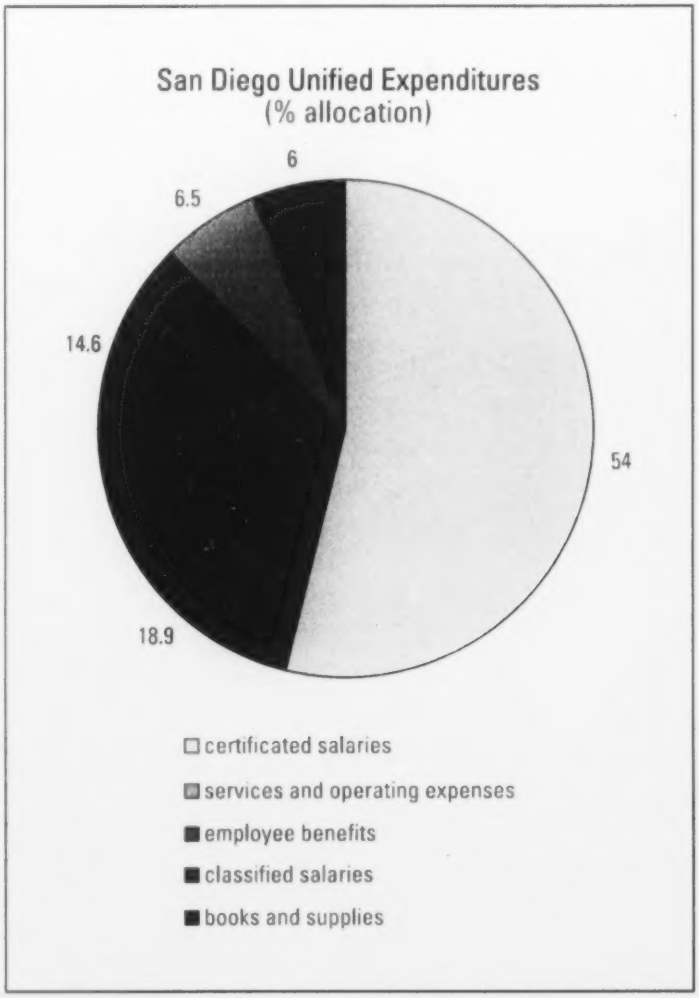
These districts serve a greater percentage of low-income, minority children, but San Diego still has more of these students than state averages. At 14 percent, San Diego's drop-out rate is higher than the state's but below both Los Angeles and Oakland. Thirty-six percent of district graduates are eligible for admission to UC or CSU

while the state figure is 37 percent.[78] San Diego's performance demonstrates that having a sizable number of under-privileged students does not necessarily determine low academic performance.

The average teacher salary in San Diego is slightly above the state average, at $47,223, while the beginning salary is also above the state mean, at $29,663. Teachers at the top of the salary schedule earned over $60,000.[79] According to the recent report by the Rose Institute for State and Local Government at Claremont McKenna College, San Diego salaries are even more generous, considering the non-reported income teachers earn, and compared to salaries in other industries in the area.

The study calculates salaries by combining both base salary (which the district reports) and various add-ons that are included in the union contract, such as stipends for extra-curricular activities and different types of degrees or credentials which teachers may possess. Using this formula, the Rose study finds that the real average salary of teachers in San Diego, excluding benefits, is almost $51,000 annually, eight percent higher than what the district reports.[80] Salary add-ons are prevalent in many California districts.

As noted, the average teacher in San Diego County who is employed by a unified school district like San Diego City makes $61,773 a year, adjusted for days worked and excluding benefits. This salary exceeds the average in most other professions in San Diego County, including, on average, mechanical engineers, computer programmers, chemists, registered nurses, and postsecondary math and political science professors, among others.[81]



Not surprisingly, teacher compensation takes up a large chunk of the district budget; approximately 74 percent of expenditures are directed toward salaries and benefits, while the average across the state is 70 percent.[82] The Rose study further analyzes per-student expenditures, finding that teacher salaries alone make up 36 percent of such spending, while salaries and benefits for teachers and instructional aides account for 48 percent. Administrative salaries make up 12 percent of per-student expenditures.[83]

The district projects that it will need to hire approximately 850 teachers for

the 2000–01 school year. As in other districts, the largest number will be elementary-school teachers. The district estimates it will require 160 additional special education teachers, 70 teachers in the hard sciences, 51 English and drama teachers, and 40 math teachers. As in other districts, art, physical education, foreign language, and social science teachers are in less demand.[84] In the last half of 1998, the district requested 454 emergency, waiver, and internship permits, accounting for six percent of its teaching force.[85]

San Diego has four work days not allocated for instruction, and maintains a unique system for staff development. The district emphasizes literacy instruction, and has redirected its staff and professional development strategies to accommodate this goal, establishing an Institute for Learning to train and support teachers in literacy instruction. Instruction leaders work directly in classrooms with teachers and lead after-school and weekend workshops. Principals are accountable for implementing the program and expected to spend two hours daily in classrooms to help their staffs improve instruction. The district also recently implemented a three-hour block for literacy in every elementary school.[86]

Despite better-than-average student performance and an innovative and intensive approach to staff development, San Diego still retains some ineffective practices. Like Los Angeles, teachers bid on staffing vacancies based on seniority, restricting flexibility and autonomy for local school principals.[87] According to the current district contract, any vacancies that are posted for the following school year after July 10, "shall first be offered in seniority order to qualified unit members who are in priority consideration status."[88]

As for transfer applications made after May 10, principals "will continue to consider the educational needs of the district, and the qualifications of the unit member." However, if all other things are equal, the most senior teacher will be granted the transfer.[89] As in other districts, it is very difficult for principals to transfer a teacher to another school. Even if a transfer is approved, the teacher in question may appeal through the grievance procedure, also codified in the teacher contract, thereby delaying the transfer indefinitely.[90]

Also, according to district officials, there have been only seven dismissals of tenured teachers since 1993-94, and only 18 who resigned after receiving a notice of dismissal.[91] As with other large districts, considering San Diego employs more than 7,000 teachers annually, this is a pitifully low number.

To be sure, as California's second-largest school district, San Diego has a solid academic record compared to other big-city districts. While family income, fluency rates, and other similar indicators are higher than in other urban districts, San Diego's performance indicates that children of all backgrounds are able to learn under the right circumstances. District officials have devolved many staff development decisions to local school principals, but problems persist. Principals lack sufficient flexibility to assign teachers based on ability and not seniority, and the state's tenure law protects incompetent teachers from being held accountable for poor performance.

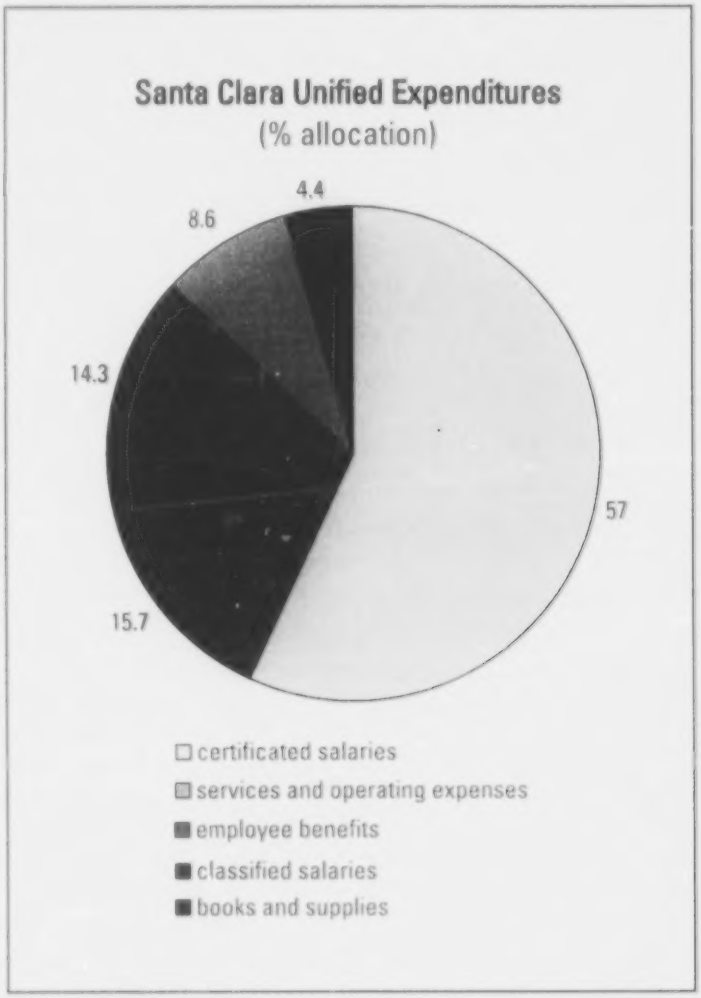
Santa Clara Unified School District

Santa Clara is located in the heart of Silicon Valley, enrolling 14,654 K–12 students in 23 schools and employing 706 teachers during the 1998–99 school year.[92] Despite its location in an area of tremendous economic importance, a high-income and fluent student population, and generous teacher compensation packages, academic achievement is not much higher than state averages.

Forty-two percent of district students are white, above the state average of 38 percent. About one in four Santa Clara students is Hispanic, while the state average is over 40 percent. The district has higher than normal proportions of Asian and Filipino students, accounting for 19 and eight percent, respectively, while the state's student make-up is eight percent Asian and just over two percent Filipino. Santa Clara has smaller special populations than most districts across the state. Only 19 percent of students are designated English-learner compared to 25 percent statewide. Thirty-five percent of district students are eligible for free or reduced meal plans, while less than six percent qualify for government assistance through CalWORKS. State averages for participation in these programs are much higher.[93]

Despite its affluence, the district's performance on the STAR test was not much above the state average. In second grade, students were between one and 10 points above state averages on the math and reading tests. By grade seven, performance was stable but had not improved. In 10th grade, performance was still stable, but all test scores re-mained less than 10 points above state averages. Consistently, district achievement levels were below county averages.[94] Just four percent of district high-school students drop out over four years, but only 34 percent of 12th graders are eligible for admission to UC or CSU compared to a state average of 37 percent.[95]

While there are several small, affluent districts in Santa Clara County where academic performance is higher, Santa Clara Unified is hardly a struggling district. Moreover, the district spends a great deal on its teachers. The salaries it offers place the district easily in the top



half of the county and state. The average base teacher salary is $48,615, the highest of any district surveyed for this study. Top base salaries are also quite generous, totaling close to $64,000, also the highest sum in our survey. Beginning teachers make slightly less than the state average of $28,798 in base pay, earning $27,702.[96] Regardless, the district spends plentifully on teacher compensation—71 percent of expenditures are dedicated for this purpose, slightly above the state average.[97]

Santa Clara Unified reports that it will need an additional 124 teachers for the 2000–01 school year, the vast majority of whom will fill positions in the elementary grades. Twenty special education teachers are needed, as are five apiece in math and the hard sciences. The district has less demand for English/drama, art, social sciences, and other subjects.[98] According to the California Commission on Teacher Credentialing (CTC), the district requested 39 emergency and intern permits in the latter half of 1998, less than six percent of the teaching force.[99]

According to district records, there were six days on the school calendar not reserved for instructional purposes in the 1998–99 school year, during which time staff development workshops or training could occur.[100] Like other districts in this survey, Santa Clara's teacher contract limits principals' discretion in making assignments and organizing their staffs. According to the contract, "if two or more unit members request transfer to a vacancy and all other considerations are equal, seniority in the District will control."[101]

Santa Clara's contract is similarly inflexible when it comes to involuntary transfers for teachers from one school to another. Section 24.5.1 of the contract reads:

> Any involuntary transfer may be initiated by the district due to changes in enrollment, school closure and/or opening, staffing shortages or surpluses within a school and/or department, and verified curricular needs. Any involuntary transfer may also be initiated by the district to improve unit-member welfare (*sic*) or a unit member's performance. Before an involuntary transfer for these two reasons takes place, unit members shall be given the opportunity to improve or correct the situation. No member shall be involuntarily transferred for punitive reasons.[102]

While the clause allows teachers to be involuntarily transferred to improve "performance," it makes no mention of how performance is evaluated, prevents principals from transferring personnel in an efficient manner, and includes a subjective provision where teachers cannot be transferred for "punitive" reasons. As in other districts, Santa Clara's teacher contract adds multiple layers of requirements for school principals and is not outcome-based.

Furthermore, if teachers are eventually transferred against their will, they may appeal through the contract's grievance procedure, which causes an additional, usually lengthy, delay.[103] When approached by this study's authors, the district maintained it does not compile firing data on tenured personnel. OAH records reveal that Santa Clara Unified has not moved to fire a single teacher since 1990.[104]

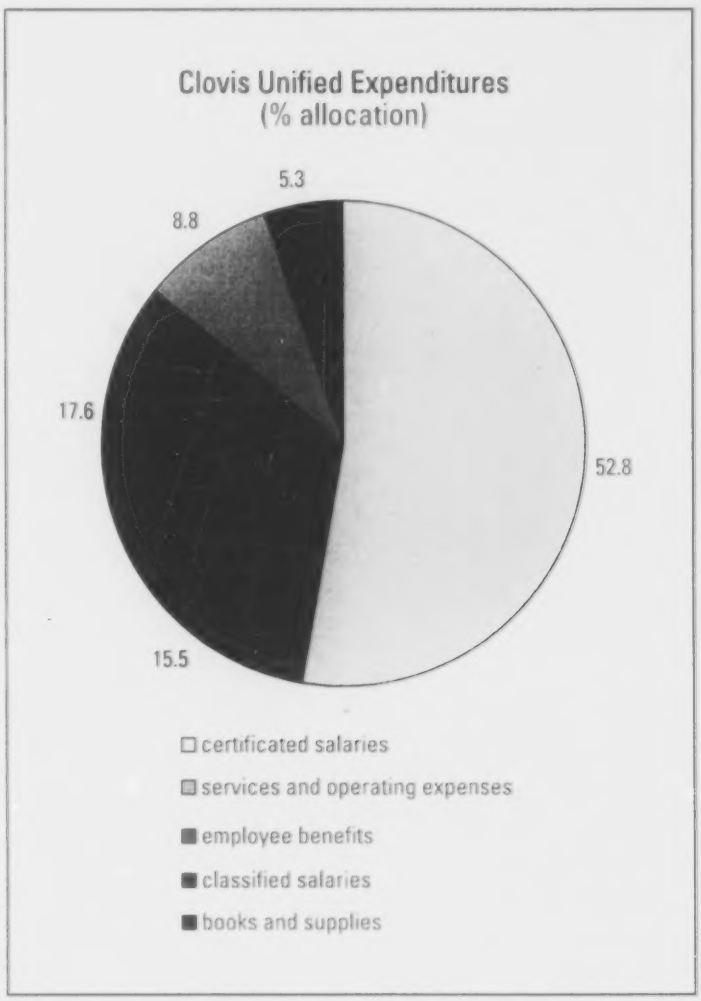
Santa Clara's record is one of mixed results. While performance is above state averages, it is not significantly so considering the amount of money the district spends.

For example, Santa Clara student performance is comparable to the Anderson Union High District, which has a lower-income student base and offers lower teacher compensation. Also, based on the data available, general student performance does not improve over time; teachers appear to provide little value-added for their students.

Despite this average record, district teachers are very well compensated, compared to county and state averages, especially considering that performance is consistently below county trends. As in many districts, once teachers receive tenure, little is done to hold them accountable for their classroom performance. Just as San Diego demonstrates that children of all income levels can succeed, the experience in Santa Clara suggests that high levels of spending and affluent students do not ensure superior achievement.

Clovis Unified School District

Clovis Unified School District is located in California's Central Valley, just north of Fresno. In the 1998–99 school year, the district enrolled 31,487 students in grades K–12, while operating 35 schools and employing 1,438 teachers.[105] Clovis is important because it is the largest district in the state that does not have union representation or collective bargaining for its teachers.



As with Anderson, student demographics do not reflect state averages, and families are more affluent than in most districts. Sixty-three percent of the district's students are white, about 25 percentile points above the state average, while about 19 percent of students are Hispanic, higher than Anderson but still over 20 points below the mean. About 10 percent of district students were designated English-learner, much lower than the statewide average of 25 percent. While close to 48 percent of California children qualify for free or reduced meal plans, only 25 percent of Clovis students participate in these programs. Similarly, 10.5 percent of district children qualify for CalWORKS assistance, while the statewide average is 16.1 percent.[106]

Student achievement levels are considerably higher than statewide averages. In grade three, 65 percent of Clovis students perform above the 50th percentile on STAR's reading component, while 79 percent of district third-graders performed similarly in math. Statewide averages were only 41 percent and 48 percent in reading and math, respectively. In grade seven, Clovis math and reading scores are 29 and 27 percentile points above state averages, respectively. This trend narrows slightly by grade 10, but Clovis students still score about 15 points above students across the state.[107] Most noticeably, Clovis students significantly outpace children in other Fresno County districts, where scores are five to 10 points lower than state averages.[108]

Clovis's other academic indicators are above state averages. For example, the district's four-year high-school drop-out rate of 11 percent is one point below the state's. Similarly, while 37 percent of California public-school graduates have taken the high-school courses required for enrollment at UC or CSU, 45 percent of graduating Clovis seniors are eligible for enrollment.[109]

Despite strong academic performance and enrolling students from more affluent backgrounds, Clovis does not provide its schools with more generous inputs than other California districts. The average Clovis teacher made $42,928 in base pay in 1998–99, less than the average Anderson teacher, and significantly below the state average of $46,129. A beginning Clovis teacher earned $29,106 in 1998–99, slightly above the state average of $28,798. The maximum base salary a Clovis teacher could earn was $57,736.

While Clovis students far exceed county averages on standardized tests, Clovis teachers earned salaries only slightly above the county average, while average salaries in Fresno Unified, where performance on the STAR test for all students was below county averages, were more than $6,000 above the county mean. Like all districts in the state, over half of Clovis's budget is spent on teacher salaries, not to mention an additional 17 percent spent on benefits.[110] The district provides full health, dental, vision, and life insurance benefits for all employees.[111]

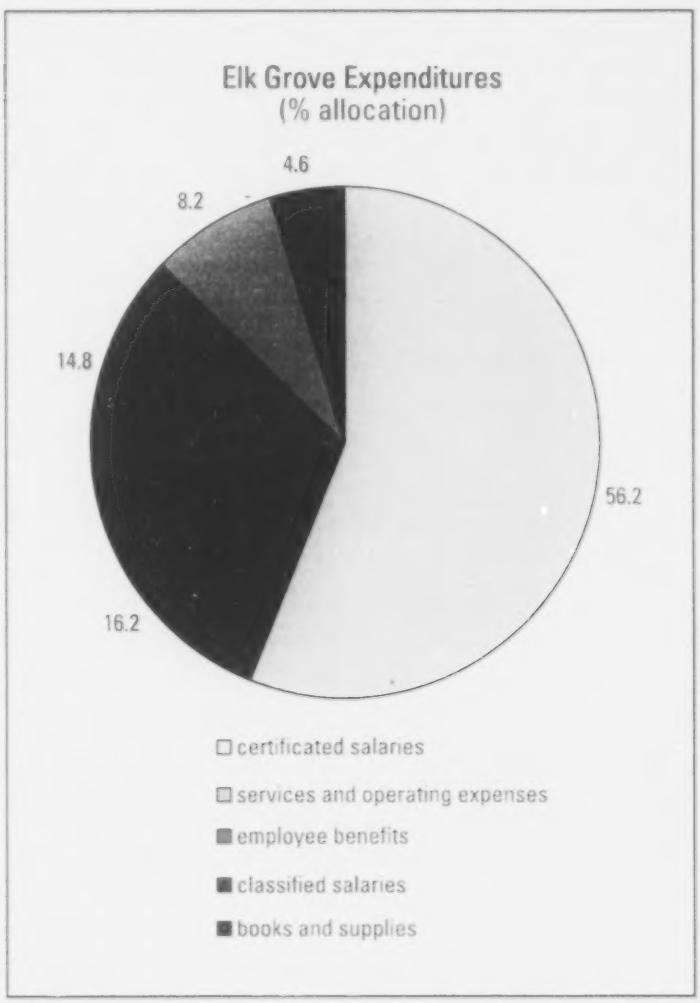
While 10 percent of the state's teachers are uncredentialed, in the last half of 1998 Clovis requested 112 emergency permits or waiver certificates, totaling about eight percent of the district's teaching force (again, this figure is most likely slightly below the total percentage of district teachers lacking full credentials).[112] For the 2000–01 school year, Clovis estimates it will require an additional 131 teachers, almost half of whom will fill elementary level vacancies. As in other districts, the demand for elementary teachers is only exacerbated by the state's mandate to cut class sizes. Meanwhile, the district estimates there will be 20 special education vacancies, eight spaces open in the hard sciences, and five apiece for math and English/drama.[113]

Clovis had five professional development days during the 1999–2000 school year, a number consistent with other districts across the state. While Clovis claimed that it compiles no statistics on the number of teachers fired, the OAH reports that, since 1990, only one teacher dismissal panel was convened for a Clovis teacher and the matter was settled before it reached the judgment phase.[114]

Like Anderson, Clovis is immune from many of the problems that befall other districts. Academic performance is consistently strong, even higher than Anderson's, while the district has few uncredentialed teachers and does not appear on the verge of any staffing shortages. Despite high levels of achievement, base salaries are below state averages. One explanation for the lower-than-average salaries may be the district's lack of collective bargaining, which tends to exert upward pressure on salaries. Yet teachers have chosen to remain independent of exclusive union representation, and student performance and teacher quality have not suffered as a result.

Elk Grove Unified School District

Elk Grove, located just south of Sacramento, is the nation's second-fastest-growing school district.[115] In 1987, 18,000 students were enrolled in the mostly-suburban school district. By 1998–99, that number had jumped to 42,484 children in grades K–12, with the district operating 51 schools and employing 2,076 teachers. By 2010, student enrollment is expected to soar to 80,000.[116]



More so than Anderson or Clovis, Elk Grove had roughly the same proportion of white students as the state average, 40 percent compared with 38 percent, respectively, in 1998–99. But Elk Grove has a greater percentage of African Americans than state norms, 19 percent compared to a California average of less than nine percent. Elk Grove has a low proportion of Hispanic students, just under 17 percent compared to 41 percent statewide. The number of English learners more closely resembles state norms, 20 percent compared to 25 percent across the state. Forty percent of Elk Grove students qualify for free or reduced meal plans, while just under 48 percent are eligible statewide. About 20 percent of district students receive assistance from CalWORKS, while the state average is only 16 percent.[117]

With the quick expansion, student performance has kept pace in Elk Grove, with better than average performance in

the lower grades. However, as with other districts in California, achievement diminishes over time. In grade three, 51 percent of Elk Grove students perform better than the 50th percentile on the STAR test, compared to a statewide average of only 41 percent. In math, 55 percent perform in the top half on the STAR test, while across the state 48 percent scored similarly. This edge dissipates by grade seven, with district students outscoring state norms on reading by only three points, 47 percent to 44 percent, respectively.

In math, Elk Grove seventh graders actually trail students across the state, 44 to 45 percent, respectively. By grade 10, Elk Grove children match students across the state in reading at 33 percent, and fall further behind in math, 41 percent to 44 percent, respectively.[118] While Elk Grove maintains a higher-than-average drop-out rate over the four years of high school—17 percent compared to 12 percent statewide—42 percent of district 12th graders are eligible for admission to UC or CSU, higher than the state average of 37 percent.[119]

The average base teacher salary in Elk Grove of $45,813 in 1998–99 is higher than in Anderson or Clovis, but still below the state mean of $46,129. However, the beginning salary offered in Elk Grove, $30,983, is above the state average of $28,798. Teachers at the top of the salary schedule earned over $62,000 in base pay.[120] In order to fill expected shortages, Elk Grove offered $2,500 signing bonuses to prospective teachers in 1999.[121] As with other districts, Elk Grove provides generous outlays to teachers, with 55 percent of the district budget allocated for salaries, and an additional 15 percent for benefits, including full health, dental, vision, and life insurance policies.[122]

One might expect that with the massive growth the district has experienced, Elk Grove would employ a large number of emergency credentialed teachers. But in the last half of 1998, Elk Grove requested 98 emergency permits and waivers, accounting for slightly less than five percent of the district's teaching force.[123]

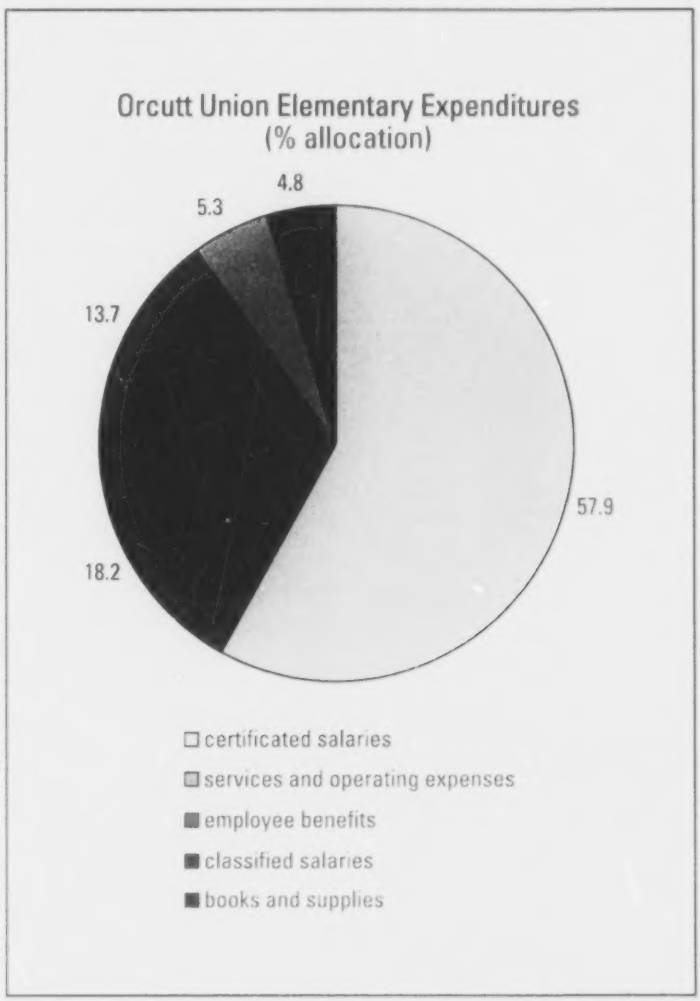
Elk Grove does employ a large number of teachers on an internship basis. Most of these instructors are hired through the Teacher Education Institute (TEI) at San Francisco State University, which works in conjunction with the district. The most promising candidates are offered full-time positions while they complete their coursework, and the district is responsible for distributing TEI interns across schools. Almost 90 percent of Elk Grove schools have fewer than 10 percent of their teaching staff on emergency permits, internships, or waivers.[124] Despite the political rhetoric, Elk Grove demonstrates that fast growing districts with high demand for teachers do not necessarily turn to large ranks of under-qualified candidates to fill staffing shortages.

For the 2000–01 academic year, Elk Grove reported that it needs an additional 334 teachers, again mostly for elementary level, special education, math, and science positions.[125] Elk Grove reports that it has one districtwide "Teacher Symposium Day," and in the last 10 years only fired one tenured teacher, while approximately eight teachers resign each year "in lieu of non-reelection."[126]

Orcutt Union Elementary School District

Orcutt Union Elementary is vastly different from the urban Los Angeles and Oakland school districts. This small, rural district located north of Santa Barbara served 4,869 K–8 students in eight schools during the 1998–99 school year, and employed 249 teachers. While Los Angeles and Oakland serve heavily minority populations, 73 percent of Orcutt students are white. Students have high fluency rates and do not rely much on government assistance compared to other California districts. While 25 percent of California public-school students were designated English-learner in 1998–99, less than six percent of Orcutt students were not fluent. Twenty-four percent of district students were eligible for free or reduced meal plans, compared to 48 percent statewide, and only four percent received assistance from CalWORKS, while 16 percent of California students were in families on the program.[127]

Student performance is consistently high, with math and reading scores in the lower grades at least 20 points above state and county averages for all students. Among non-fluent students, test scores were also consistently above state and county norms, usually by wide margins. High student achievement is sustained in the middle-school grades as well, with fluent and non-fluent students outscoring their peers at the county and state levels.[128]



Orcutt teacher salaries reflect statewide averages, with an average salary of $46,550, compared to a statewide average of $46,129. Beginning teachers earn about $29,000, while new instructors across the state average just under that sum, and the top base salary was well over $62,000.[129] District teachers receive generous benefit packages comparable to other districts, while outlays dedicated to overall teacher compensation are slightly above state averages. Seventy-two percent of the district budget is earmarked for teacher salaries and benefits, while the state average stands at about 70 percent.[130]

Not surprisingly, attracting and retaining teachers does not appear to be a problem for Orcutt. For the 2000–01 school year, district officials anticipate

openings for just two special education teachers, while other fields are expected to remain filled.[131] According to the CTC, in the last half of 1998, the district requested 12 emergency permits, less than five percent of its teaching force.[132]

Orcutt has three work days for teachers which are not allocated for instruction, during which time staff development may be arranged.[133] The district also maintains an interesting policy regarding teacher dismissals, refusing to fire failing instructors. Because of its size, district officials maintain that they can effectively counsel out incompetents.[134] According to the OAH, Orcutt has not moved to fire a single teacher since 1990.[135] The district also maintains that because of its small administrative staff, it does not record the number of teacher resignations.

While Oakland and Los Angeles are models of dysfunctional urban districts struggling to educate thousands of low-income, minority children, Orcutt is the polar opposite. The district is located in a non-urban area where family income levels are much higher, and where the schools serve far fewer minority and non-fluent students. While teacher salaries are consistent with state averages, the district has an ample supply of credentialed teachers across subject areas. While Orcutt does not fire failing teachers, it is a luxury the district can afford. It does not have the same struggles as those urban districts where finding and retaining qualified teachers is difficult, and eliminating incompetent ones is even harder.

Los Angeles Catholic Schools

Inner-city districts like Los Angeles and Oakland are not the only school systems enrolling large numbers of poor children. In the archdiocese of Los Angeles, there are more than 220 Catholic primary schools and over 50 high schools, enrolling more than 100,000 students and employing close to 5,000 teachers in 1998–99. As a public-school district, Los Angeles Catholic schools would be the third largest in California. Not surprisingly, Los Angeles Catholic schools enroll a sizable number of minority children.[136]

With 67 percent non-white students, Los Angeles Catholic schools' minority population is smaller but comparable to LAUSD. Forty-three percent of Catholic-school children are Hispanic, while 15 percent are Asian. African Americans account for eight percent.[137] A large number of private-scholarship programs exists to subsidize poor children's education in Los Angeles Catholic schools.

The Education Foundation, a local group which runs the largest financial-assistance program, provides full scholarships to just under five percent of students enrolled in Los Angeles Catholic schools.[138] The Children's Scholarship Fund, a prominent nationwide private-scholarship program, began providing assistance to children in Los Angeles Catholic schools in 1999. While the Los Angeles public and Catholic schools enroll large numbers of poor and minority children, they are managed very differently.

In the public-school system, a rigid district contract plays a large role in determining the allocation of resources. Schools have to rely on funding from district, state, and federal sources. Tenure is automatically granted to virtually all teachers after their second year, making it extremely difficult to dismiss incompetent instructors. All these factors make for a system where principals and local schools have very little autonomy or flexibility. The story is quite different in Los Angeles Catholic schools, where local parish and archdiocesan schools are free to manage their own affairs.

Most funding is raised at the school level, through enrollment fees and parish subsidies. Interestingly, while LAUSD spent over $9,000 per-pupil in 1998–99, that same year the average Los Angeles Catholic elementary school spent $2,200 on each student, while the average for secondary schools was just under $4,800.[139] The archdiocese contributes very little money, and spending is controlled by individual schools.

Hiring and firing of teachers is also handled by school principals, with input from pastors, and other teachers and administrators. In a survey of more than 100 Catholic-school principals in Los Angeles, only three reported using a tenure system for their teachers. Teacher contracts vary from school to school, but most are between one and three years, with renewal dependent upon performance and evaluation. Furthermore, many teachers in grades seven through 12 have a major or minor in the subject they teach, while others have experience working in their fields.[140]

"Whereas Catholic schools are free to manage their own affairs and enjoy high parental satisfaction, district schools are micro-managed by government authorities while parental frustration grows."

In light of the challenges associated with educating large numbers of low-income and minority children, the results of Los Angeles Catholic schools are impressive. Despite tuition costs, Catholic elementary-school enrollment has hovered consistently around 70,000 over the last decade. Indicating high parental satisfaction, 75 percent of Catholic school eighth-grade graduates matriculate to Catholic high schools, where 95 percent of graduates enroll in two- or four-year colleges.[141]

While Los Angeles public schools spend more money, they are less effective in producing results. Whereas Catholic schools are free to manage their own affairs and enjoy high parental satisfaction, district schools are micro-managed by government authorities while parental frustration grows. Ultimately, while the vast majority of Catholic school graduates attends college, few district students even get that far. As mentioned before, LAUSD has a four-year drop-out rate of 19 percent and only 46 percent of its graduates are eligible to attend state universities. Nevertheless, despite Catholic schools' superior record, most low-income children are still forced to attend poor-performing district schools, lacking the financial resources to do otherwise.

Vaughn Next Century Learning Center

Charter schools are independent schools operating within the government system under a contract or charter negotiated between the organizers of the school, usually groups of parents, and its official sponsors, typically a local school board. In return for meeting the educational goals laid out in their charter, the school receives funding from the state, exemption from most regulations, and wide latitude in curricula, hiring, and firing. Within a decade, charter schools have become a national movement, popular with parents, teachers, and students alike, supported by the Clinton administration, and showing great promise for increasing student achievement.[142]

The Vaughn Next Century Learning Center is a charter school located in Pacoima, a poor, heavily minority community outside San Fernando. In 1999–2000, Vaughn enrolled 1,227 students in Pre-K–5. The student population is virtually completely minority: about 94 percent Hispanic, 5.5 percent African American, and 0.1 percent Asian. Close to 98 percent of the students are eligible for free and reduced lunch plans, while 74 percent were designated English-learner. Annual per-family income in the neighborhood surrounding Vaughn is below $13,000, with 66 percent of the area's residents lacking a high school diploma. According to the school's principal, it is not unusual for several families to occupy one home, with perhaps as many as 13 school-aged children at one address.[143]

Vaughn is severely low-income even by LAUSD standards, the district to which the school belonged before obtaining its charter. The percentage of non-English speakers is 30 points above the LAUSD average, and 50 points above state figures. Almost 10 years ago, Vaughn was identified as one of the 60 worst schools in Los Angeles. In 1991, the school began participating in the district's site-based management program. Under state legislation, districts operated site-based programs where important decisions were supposedly devolved to principals at the school level. Yet the amount of flexibility was drastically limited because participating schools were still tied to the district's collective bargaining agreement, meaning principals could not make important personnel decisions.[144]

Because of the growing frustrations associated with district management, Vaughn converted to charter status in 1993 under its current principal, Yvonne Chan, a year after California implemented the nation's second charter school law. Under state law, Vaughn's charter was good for up to five years, during which time the school was largely free to operate outside the district contract, and taxpayer funding was consolidated for school officials to use at their discretion.

While the initial law limited flexibility by allowing only districts to approve and distribute funding to charters, Vaughn enjoyed considerably more autonomy than would have been the case if it had remained in the district. Nevertheless, during the school's first charter term, teachers and school employees could still retain membership in district unions and received equal benefits. However, when the school's charter was re-approved in July 1998, employees either had to resign from LAUSD or leave Vaughn. The new charter blocked the school from participating in the district's

collective bargaining agreement. In 1999, under pressure from the state's teacher unions, the legislature required all charters to provide special collective bargaining rights for their employees. As a result, many Vaughn teachers joined the California Network of Charter Educators, a professional organization that provides some legal help for its members. However, an overwhelming number of Vaughn employees refused to join UTLA, the local union for LAUSD.[145]

Another important aspect of Vaughn's new contract is its adoption of performance components for teachers and other employees, including the principal. Beginning in 1998, under Dr. Chan's leadership, Vaughn implemented a mandatory three-year knowledge- and skill-based pay system for all newly hired staff and optional participation for those with five or less years experience. In 1999–2000, the program was opened to all Vaughn teachers.[146]

Under the plan, all new teachers and others who participate are assured a base salary comparable to what LAUSD would offer. For example, under the traditional salary structure employed by the district, base pay for a new emergency-credentialed teacher in 1998–99 was $31,325 with no pay increase for at least four years, while a fully-credentialed teacher stood to earn $31,606 with no pay increase for two years.[147] A first-year instructor at Vaughn, regardless of credentialed status, was assured a base pay of $31,500.[148]

Those instructors possessing a full credential were eligible for a $1,000 bonus, as well as incentives for other degrees and credentials. Beginning in 1999–2000, all employees are subject to evaluations performed by a school administrator and a teaching peer, and their own self-evaluation. If self-evaluations do not correspond to external evaluations, then teachers are encouraged to re-assess their performance. According to Dr. Chan, since the program's inception, inflated self-evaluations have not been a problem.[149]

Performance is rated through a series of classroom observations each semester, as well as by relevant staff development an employee may take. Teachers can receive between $100 and $1,300 extra for lesson planning, classroom management, special education instruction, technology advancement, and language and literacy development. Teachers are also eligible for smaller bonuses if student attendance and discipline improve. If teachers earn these first-tier bonuses, they are eligible for up to $3,5000 extra for achieving mastery in math, social studies, science, English-learners support, and the arts. However, these subject-area bonuses are based on teacher evaluations not student performance. Teachers who achieve at a high level in these areas are eligible to become "distinguished teachers" and reap an additional $4,000.[150]

All told, teachers can earn an extra $13,000 in income for developing skills that Vaughn demands. Beginning teachers can earn up to 25 percent more, while more senior teachers stand to earn five to seven percent more.[151] While 45 percent of teachers in typical, inner-city Los Angeles schools earn salaries at the bottom of the district's pay scale, less than five percent of teachers at Vaughn earn equivalent amounts.[152] Districts across the state use rigid, uniform salary schedules, while Vaughn's pay system reflects the school's academic priorities. Incentives are weighted

so the largest amounts are attached to skills, like reading and literacy development, which are in the most demand based on the school's student population. Also, while the state faces a massive problem attracting and retaining talented young teachers, Vaughn is able to offer an attractive package for accomplished candidates if they boost student performance.

Teachers overwhelmingly support the school's performance-pay plan. Seventy-seven percent of Vaughn teachers claim it is fair for teachers to be held accountable for student achievement, while 90 percent agree it is fair for teachers to receive a bonus if achievement improves. Seventy-seven percent of teachers thought the bonus motivated them to work together and 90 percent thought the program should continue.[153]

While these performance incentives are based on evaluations, Vaughn also offers a larger schoolwide performance bonus, where the entire staff, including the principal, is eligible for a raise if student performance improves on the state's STAR test ($1,500 in 1998–99). In order to receive the bonus, student performance must also be above a certain threshold on the Terra Nova, another standardized test Vaughn gives its students, or the whole school must achieve at least a "C" on the schoolwide report card that is given each year. In determining the bonus, the performance of both English and non-English-speaking students is considered.[154]

"Districts across the state use rigid, uniform salary schedules, while Vaughn's pay system reflects the school's academic priorities."

Despite these performance components, Vaughn's achievement levels remain below county and state averages. Vaughn has significant room to improve, but there is reason for optimism. Vaughn has traditionally been one of Los Angeles's lowest-performing schools, and it tests all special-education and English-learner students, while some inner-city schools exempt certain children on these grounds. Furthermore, the implementation of the school's performance incentives is just two years old. While performance is already improving, it may take longer for the school to realize significant gains.[155]

Because of the large number of students Vaughn serves, school administration is divided between grade levels. Grades Pre-K through one, second and third, and fourth and fifth are all treated as "schools within a school," and are granted significant autonomy and flexibility. At the individual grade levels, teachers are arranged in clans where they work together to improve performance. Other professional development workshops are mandatory, while some teacher choice is allowed. Vaughn contracts with outside experts to provide staff development services, and maintains two administrators who are primarily responsible for training, evaluation, and professional development.[156] Also, teaching students from the California State University at Northridge take on-site classes at Vaughn and are able to hone their skills in the classroom.

Classrooms are arranged in groups of three where one novice teacher is grouped with a middle-level teacher and an accomplished senior teacher who has scored in the top-tier of the evaluation process. This instructor helps mentor his or her more

junior colleagues. For these mentor teachers, the extra pay, which can exceed $13,000, and the opportunity to help support other colleagues help provide incentives to keep these skilled veterans in the classroom, as opposed to transitioning into school administration or leaving the profession entirely. As with the incentives for accomplished younger teachers, Vaughn's pay system attempts to reward teachers of varying experience, placing a premium on classroom performance.

Prior to converting to charter status, the school had tremendous difficulty attracting experienced teachers. In fact, 24 teachers transferred out of Vaughn between 1987–1990. However, since becoming a charter school in 1993, many experienced teachers have sought positions at Vaughn. In the 1999–2000 school year alone, school officials interviewed eight experienced teachers from LAUSD and chose to hire four. Furthermore, teacher turnover is less of a problem at Vaughn than other schools. In 1990, 20 percent of the school's teachers left at the end of the school year. By 1999, that figure had fallen to seven percent, while LAUSD averaged close to 20 percent.[157]

"Vaughn's charter calls for decisions and responsibility to be shared throughout the school, as opposed to a top-down system."

Vaughn's charter calls for decisions and responsibility to be shared throughout the school, as opposed to a top-down system. The school maintains three committees, composed of a mixture of teachers, administrators, and parents to help make key decisions regarding instruction, personnel, and curriculum. Assignment of teachers is ultimately handled by the principal, Dr. Chan, and the relevant grade-level head.

Vaughn does not have tenure for its teachers, though it does maintain due-process rights for all employees. However, while districts across the state have struggled with the statutory protections afforded tenured teachers, Vaughn has streamlined its evaluation procedure with an aggressive assistance and intervention program for failing teachers. The maximum length of the process is nine months from the beginning of the assistance phase to the outcome of the intervention. In the 1998–99 school year, two instructors were dismissed for unsatisfactory performance, while others who had poor evaluations elected to transfer out of the school.[158]

One teacher who had several years of experience in the district schools decided to transfer after she received a series of poor evaluations. Emphasizing that she had several younger instructors with far less experience who received superior evaluations, Dr. Chan cited that, unlike other public-school principals, she now had an objective measure whereby she was able to assess and rank her staff's performance. Despite providing the teacher ample opportunity to improve, Dr. Chan was "glad to sign her transfer slip back to the district and send her on her way."[159]

Whether city, suburban, or rural districts, charter schools or Catholic schools, the California experience can prove enlightening to policymakers. Some of the actual responses suggest that the lessons are not being learned, even though improving the quality of classroom instruction is at the top of politicians' agendas at the federal and state levels.

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Part 3 — How To Improve Teacher Quality

The Response from Politicians and Government

President Clinton, under whose administration funding for the U.S. Department of Education (USDE) has increased by more than $10 billion, wants to spend even more money on teachers. One of the most contentious aspects of the 1999 budget debate was the president's $1.3 billion class-size reduction plan. For 2001, the Clinton administration has asked to boost funding for the program, and proposed other teacher quality initiatives.

All told, the president would spend approximately $1 billion on new teacher programs. These initiatives emphasize placing more credentialed teachers in classrooms across the country, and helping districts implement higher salaries tied to a "rigorous" peer review process, where experienced teachers mentor beginning instructors.[1]

Secretary of Education Richard Riley has also emphasized the importance of ensuring a qualified teacher for every child. In a major speech in February 2000, Riley noted that teachers should be paid more, in order to attract competent candidates who can command more lucrative salaries from other industries. However, according to Riley, in exchange for higher pay teachers should have to work more. Typically, most teachers work nine months of the year.

Riley would insist that teachers work an extra two months over the summer and use the time to hone their skills in professional development, to create lesson plans for the upcoming school year, or to tutor struggling students. When told of Riley's plan, Day Higuchi, president of the United Teachers of Los Angeles, the local union for the Los Angeles Unified School District, commented that some teachers take summer jobs for additional income and others "enjoy teaching because they don't have to work a full year. They might object strenuously."[2]

"Riley noted that teachers should be paid more, in order to attract competent candidates who can command more lucrative salaries from other industries."

The two presidential contenders have put teachers at the center of their education agendas. Vice President Al Gore proposes increasing funding for USDE by $115 billion over 10 years. As part of this massive spending hike, the vice president would subsidize teacher salaries in local school districts. The vice president would also establish a "21st Century National Teacher Corps," which would provide college scholarships each year to 60,000 students who agreed to teach in "high-risk" schools for four years.[3]

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Texas Governor George W. Bush would forego massive spending increases. Instead, he would consolidate the myriad of federal education programs into a smaller number of block grants, including one for teacher recruitment and training, that would give states added flexibility in exchange for demonstrable results. Specifically, the governor would distribute $2.4 billion annually to the states, earmarked for streamlining the certification process, recruiting and training instructors with strong academic backgrounds in the subjects they teach, and meeting the differing needs of each state.

Governor Bush would also increase federal loan-forgiveness programs for math and science majors who agree to teach these subjects for five years in high-need schools.[4] While free to implement the policies of their choice, states would be required to show their teachers are making improvements.[5] Across the country, the nation's governors have also focused on teacher effectiveness.

For example, in New York, Republican Governor George Pataki has proposed distributing an annual tuition subsidy to those college students who promise to teach in the state's public schools. The subsidy—$3,400 annually—would cover the cost of tuition at a public university for a resident or help defray the costs of private university tuition.[6]

In North Carolina, the legislature has already passed Democratic Governor Jim Hunt's plan to raise teacher salaries to the national average and include bonuses for instructors who achieve advanced degrees and/or certification. By this year, teachers with the most advanced degrees, certification, and experience in the classroom will be eligible to receive salaries of more than $53,000.[7]

Most of these programs include a variety of measures aimed at increasing the supply of teachers in the nation's schools. Many estimates predict that the nation's schools will need to hire two million new teachers in the next decade, up to 300,000 alone in California. Yet looming teacher shortages are nothing new—politicians have been predicting them for years.[8] The real challenge for the nation's lawmakers will be to find teaching candidates who are most able to boost student performance, and to provide these new instructors the proper incentives once they reach the classroom.

Contrary to the rhetoric of teacher unions and some politicians, that end will not be achieved by spending more money on teacher salaries. Rather, a different set of policies will be required to boost teacher quality and improve classroom instruction, and showcase a different set of priorities than the current failed status quo.

Economist Eric Hanushek sums up the problem that "schools today rely far more heavily on regulation than on incentive." He concludes that regulating the nation's teacher corps is ineffective because:

> Systems of regulation implicitly assume a single, well-defined, 'best' way of educating.... Education is a highly decentralized activity. Almost all productive work is done in individualized classrooms. Creating a single set of regulations capable of identifying, hiring, and mobilizing almost three million teachers is impossible.[9]

Currently, California's top-down bureaucracy prevents principals and teachers from having the flexibility to address school-based problems. Principals and teachers must fulfill various state and district mandates that distract them from their central goal of improving student performance. A rigid tenure system, centralized and inefficient hiring and firing policies, salary schedules based on seniority and credentials rather than performance, and a lack of discretionary control over school finances have all contributed to poor management of the state's schools and, in turn, declining levels of student achievement. While righting the state's troubled school system will be a long and difficult process, a deregulated, accountable, and school-based management system will have to be devised before California can hope to boost the performance and future prospects of its students.

Enhanced Accountability: Letting Principals Take Charge

"Currently, California's top-down bureaucracy prevents principals and teachers from having the flexibility to address school-based problems."

The schools and districts examined in this survey exhibit a wide variety of problems and accomplishments. Small, rural elementary districts like Anderson and Orcutt face vastly different problems than urban giants like Los Angeles and Oakland. However, it is clear that poverty and race, while posing certain challenges, do not determine low student outcomes.

Poorly performing government-run schools in Los Angeles and Oakland enroll large numbers of low-income, minority children, while Catholic schools have similar students yet higher achievement. San Diego's public-school system, while enrolling fewer low-income and minority students, still has more of these types of children than most California districts, and its academic record is above state averages. Furthermore, affluent districts like Santa Clara do not necessarily outpace districts in other parts of the state.

Most important, state policy reforms aimed at improving student performance in one broad stroke, such as class-size reduction, have thus far failed to accomplish their intended goal. Because of the diversity of California schools, the state has struggled to manage the system in a manner benefiting students.

While there have been several studies identifying a host of reasons behind California's poor performance, one constant that almost every analysis identifies is the quality of teaching that a child receives. One underachieving teacher can set a child back almost a full year, while the impact of two or more successively bad instructors can be devastating.[10]

Through a dizzying array of legislative and regulatory remedies, the state has tried to boost the quality of teaching in California classrooms. From higher pay to reduced housing to tax-free salaries, Governor Davis and the legislature have proposed a wide range of incentives for prospective teachers. The California Commission on Teacher

Credentialing has tried to ensure that more qualified candidates enter the classroom by tightening certification requirements and making state teacher tests more rigorous. Unfortunately, the continued poor performance of California students demonstrates that more fundamental reforms are required. Rather than centralizing decisions in Sacramento and district offices, one promising alternative would allow principals more control—and responsibility—over their schools and staffs.

Empirical evidence suggests that school principals can exert positive influence on student performance. RAND Education Director Dominic Brewer finds that principals "have a measurable impact on student achievement through the selection of teachers and academically oriented goals." Brewer analyzed the performance of over 2,000 high-school students in public schools across the country and found that principals play a vital role in the hiring and selection of teachers, yet concedes, "many principals are inhibited by the presence of seniority and tenure rules, and district and school board interference."[11]

"...principals should make all personnel decisions ... as well as standards for measuring staff performance, and consequences if staff members fall short."

– Hugh Price, President, National Urban League

Second, principals with academically-oriented goals have the most impact on boosting student outcomes by selecting a faculty with similar goals. According to Brewer, if a principal with strong academic goals hires 10 percent more faculty, student achievement gains on standardized testing increase 20 percent. Achievement gains are negative if hiring increases under a principal with low academic goals. Furthermore, the length of a principal's tenure does not impact student performance at his or her own school. Overall, Brewer finds that the "principal's selection of teachers, the formation of school goals, and the role of principal salaries, all have potential important policy significance and merit further attention."[12]

Part of implementing broader control for principals means devising a meaningful teacher evaluation system. Currently, evaluations are little more than perfunctory exercises, and few teachers actually fail them. The result is that while tenured teachers are required to be reviewed every two years, there are no consequences if performance is lacking. Also, while probationary teachers are to be reviewed every year before obtaining permanent status, most teachers automatically receive tenure after two years without having to prove a suitable level of competence.

Principals should have broader discretion in evaluating personnel. While salaries should be based on objective measures, if principals think that teachers are underperforming they should be able to level certain sanctions, ranging from increased assistance to dismissal, if students continue to suffer under an incompetent teacher. Likewise, professional and staff development should be integrated into teachers' lesson plans.

California should follow the lead of states like Pennsylvania, where intensive professional-development workshops are offered in subjects that instructors teach. Furthermore, in distributing federal professional-development funds for math and

science teachers, Pennsylvania requires instructors to take pre- and post-tests to determine value-added as a result of the program. These measures enhance accountability and ensure that evaluations and staff development are used in a manner consistent with improving student performance.[13]

The goal to broaden principal discretion and control has attracted support from across the political spectrum. Notable liberals, such as Hugh Price, president of the National Urban League, agree saying, "...subject to appropriate oversight by their boards, principals should make all personnel decisions, such as whom to hire and for how long, as well as standards for measuring staff performance, and consequences if staff members fall short."[14] Vice President Al Gore, in outlining his teacher quality proposals, urged that principals be given more control over teacher hiring and assignment, instead of basing staff decisions on seniority and other priorities. Restrictive teacher assignment policies, like the one that exists in Los Angeles, should be discarded. While unpopular with unions and other members of the education establishment, assignment of teachers should be delegated to school principals, and based on performance and competence.

Moreover, according to a recent nationwide survey by Public Agenda, teachers place a premium on strong administrative support, even if it means having to forego significantly higher salaries. According to the poll of teachers across the country with five or less years of experience, if given the option, 82 percent would prefer to work in a school with administrators who are strongly supportive of their efforts in the classroom, while only 17 percent opted for the school with significantly higher salaries.[15] Unfortunately, rigid district contracts prevent many California school principals from supporting their younger teachers, by forcing them to offer assignments and other perks to more senior teachers, regardless of ability.

While more flexibility ought to be devolved to the school level, any new plan should avoid some of the pitfalls of previous school-based management programs. For example, as mentioned earlier, the Vaughn Next Century Learning Center outside Los Angeles originally participated in LAUSD's site-based management program. However, Vaughn was still forced to abide by the district contract, thereby negating much of the autonomy the program was meant to provide. Anita Summers, an economist at the University of Pennsylvania, compiled information on a number of site-based programs operating in school districts across the country. Of the 20 programs she examined, only four made increased learning a stated objective.[16]

If principals are to exercise increased control of their schools, they must be held accountable for academic progress. While he or she should be granted greater latitude in hiring, firing, evaluation, and assignment, a principal's salary and job security should depend on performance. If teacher salary incentives and other outcome measures are based on student achievement, then principals should be employed and compensated under the same guidelines.

In order to ensure that crucial management decisions are decided by principals at the school level, California must be willing to make the following significant reforms. Without them, the mix of well-intentioned but shallow tinkering that has

previously taken place will continue. Drastic changes are needed to solve the deep and persistent problems that afflict the state's schools. All parties involved, from lawmakers to unions to parents, should be challenged to consider these reforms that have been successfully implemented elsewhere.

Replace Teacher Tenure with Performance Contracts

Modernizing the state's teacher tenure system is critical to improving teacher quality. California's tenure law is a relic of the 1920s, and is no longer suitable for today's labor market. According to Vaughn's Principal Yvonne Chan, "What is teacher tenure? It's due-process, and we provide that without the law."[17] Indeed, teacher tenure in its current form has very little to do with protecting teachers from hasty and unfair dismissals.

Instead, tenure means that it has become virtually impossible to fire any teacher for any reason after they obtain permanent status. Moreover, like seniority protections, tenure prevents principals from organizing their staff in a manner that maximizes student output. Ultimately, tenure serves as an impediment to children's learning. Teachers who are consistently under-performing are, at best, transferred from school to school, a process which education writers have dubbed "the dance of the lemons."

To be sure, California's teacher unions wield tremendous political influence. But Democratic Governor Gray Davis has fashioned himself as a political moderate, refusing to raise per-pupil spending if it means a tax increase and half-heartedly supporting a school-construction ballot initiative championed by the unions. Yet when it comes to crucial issues like tenure and dismissing incompetent teachers, the governor typically acquiesces to union demands. For example, Davis promises that his peer review plan will "show failing teachers the door," but the specifics of district plans are largely unclear because implementation of the law is left to collective bargaining. However, other Democratic centrists have not been so reluctant to take on the tenure issue.

Al From, president of the Democratic Leadership Council, the "New Democrat" umbrella group, ranks ending teacher tenure as one of the 10 necessary reforms "to transform the school system from one designed to serve the adults who run them (*sic*), not the children who depend on them (*sic*)."[18] Says From:

> Today, the practice of teacher tenure—which gives educators a virtual lock on their jobs regardless of how they perform—offends the basic American values of work, family, and personal responsibility. While we should pay good teachers more, we shouldn't tolerate incompetent teachers at all. America's children deserve at least that.[19]

Georgia Governor Roy Barnes, another moderate Democrat, spearheaded and signed legislation eliminating tenure for all newly-hired public-school teachers. The law places all new hires on renewable, performance contracts that allow teachers to be dismissed for poor performance. Like California, Georgia's tenure law protected incompetent

teachers from being fired. Interestingly, while Georgia's teacher unions initially opposed the bill, they removed opposition as support for the measure intensified.[20]

While Georgia's abolition of tenure is the most significant step, several other states have also modified their teacher-protection laws. Oregon, Colorado, New Mexico, South Dakota, Florida, Oklahoma, Michigan, and Connecticut are all states that have relied on Republican and Democratic governors and lawmakers to reform their tenure laws.[21] California's tenure protections have remained largely unchanged over the last several decades. Following Governor Pete Wilson's re-election in 1994, Republicans in the legislature attempted to overhaul California's law, making it easier to dismiss incompetent instructors, but the bills were defeated before reaching the governor's desk.[22]

At the very least, California must streamline the dismissal process. Most cases take years to adjudicate and cost districts up to $100,000, in some instances even more. Programs like peer review must have clearly articulated consequences for failure. Children's academic progress should not be given lesser priority while district officials and union lawyers fight over whether to keep a failing teacher in the classroom. The evidence in other states demonstrates that replacing tenure with a more performance-driven staffing system does not have to be a partisan affair. Governor Davis can take his cue from Governor Roy Barnes and other innovative Democratic leaders who have made wholesale education reform a priority.

"The evidence in other states demonstrates that replacing tenure with a more performance-driven staffing system does not have to be a partisan affair."

Unions and other defenders of the status quo claim that tenure, and the job security it bestows, help attract talented candidates into the field. But polls, like the survey by Public Agenda, find that young people enter teaching to be challenged, and out of a sense of public service, not because they cannot be fired.[23] Furthermore, empirical evidence suggests that teachers who elicit the greatest gains from their students remain in the profession for 10 years or less.[24] These high-achieving teachers are not attracted by the supposed allure of tenure.

To be sure, California teacher unions and the education establishment are more intractable than in other states, but at some juncture their refusal to put children first ahead of adults must be confronted. Large, immovable bureaucracies like unions do not change on their own. External pressure must be applied by lawmakers and the public. If the governor and the legislature refuse to tackle the contentious issue, then voters should demand that a new crop of leaders makes it a priority.

Pay Teachers Based on Performance

The salary schedules that California school districts employ to pay their teachers are antiquated and obsolete, and do not reflect the academic priorities needed to turn around under-performing schools. While there is conflicting evidence on whether

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degrees, credentials, and experience have a positive impact on student performance, they are the very criteria by which a teacher's pay is currently based.

As in other states, California's salary system is input driven. Teachers are compensated based on the number of years they have been in the classroom and the types of credentials and degrees they possess. Output, measured by whether students consistently progress or fall behind in a teacher's classroom, is not even considered. The result is that good and bad teachers are paid the same, regardless of performance.

While the CTA pushes for higher salaries, it makes no distinction between good and bad teachers. If one teacher is able to raise test scores in his or her classroom of predominantly low-income children, he or she is eligible for the same raise as his or her district counterpart in a suburban school, where children fall further and further behind. In this instance, the good teacher remains underpaid while the underachiever continues to earn more money.

Over time, Los Angeles and other districts have spent millions of dollars on added pay and benefits while student output continues to decline. LAUSD's proposal to increase all salaries by six percent and provide further incentives based on performance caused the local union to threaten a strike, a demonstration of just how isolated the teaching profession is from the rest of the labor market. While teachers have a special mission to educate children, their pay system should be comparable to other professions. If students continue to fail, extra incentives for teachers to boost performance must be included.

Furthermore, performance pay could be a practical tool to attract talented young candidates into the teaching field. High-achieving candidates might be more inclined to enter a profession where compensation is based on performance, not years of service. Current salary schedules penalize accomplished, younger teachers simply because they lack years in the system. Moreover, teachers agree that performance pay is a good idea. According to the Public Agenda survey, 69 percent think that teachers "who are highly effective in improving academic performance" should receive higher salaries, while only 28 percent disagree.[25] And performance pay is hardly a new idea.

Districts across the country have experimented with the strategy for years, and encountered several roadblocks. In September 1999, the local teacher union in Detroit went on strike after school officials insisted on including performance incentives in the district contract. The incentives were part of a proposed pilot program that tied teachers' pay to the performance of their students, and they were eventually removed from negotiations to get teachers to return to work.[26]

A similar debate erupted in the spring of 2000 in New York City when Mayor Rudy Giuliani proposed rewarding the city's summer-school teachers with up to $4,000 for improving student performance. New York has a large summer-school enrollment, targeting 320,000 low-performing students, making it an excellent pilot program. The local union, the United Federation of Teachers, balked and argued that base salaries for all teachers should be increased. Under mounting pressure, the Giuliani administration eventually dropped the plan.[27]

Despite the problems in some cities, performance pay has gained traction elsewhere. In Denver, a pilot performance-pay plan, which began in October 1999, rewards teachers at participating schools $1,500 each if student performance meets certain target goals over a two-year period. The plan is voluntary and currently involves about 450 teachers in 15 district schools.[28] Meanwhile, the Cincinnati public schools are gradually implementing a new performance-pay plan.

Comparable to the Vaughn plan, teachers will be evaluated once every five years on 16 different criteria by a peer teacher and an administrator. The plan is to be phased in over the course of five years and pay will eventually be entirely linked to evaluations.[29]

While the Denver, Cincinnati, and Vaughn plans are certainly steps in the right direction, a more equitable system would reward individual teachers for boosting student achievement using some objective measure like test scores. Under Denver's schoolwide bonus plan, teachers who elicit smaller gains from their students receive the same reward as teachers who elicit higher gains. Teachers ought to be rewarded for their own work. While evaluations should have some impact on compensation, the Cincinnati and Vaughn plans are still too subjective. Performance incentives based on the same objective measure establish clearly defined benchmarks all teachers can achieve. This is the idea behind the performance-pay proposal in Los Angeles, and another program which is currently being implemented by one innovative school district outside Philadelphia.

The Colonial School District enrolls about 4,700 students in suburban Philadelphia. In 2000, Pennsylvania Governor Tom Ridge has offered school districts up to one million dollars in state funding if they adopt performance-pay plans. Colonial applied after polling indicated that a majority of residents in the surrounding area favored paying teachers based on how well their students performed.[30]

The local school board contracted with Anita Summers, the emeritus University of Pennsylvania economist mentioned earlier, to devise a fair compensation system by which individual teacher salaries would be based on their students' performance on two standardized tests the district uses. Summers also controlled for certain variables like socio-economic status of the students involved. She concedes that "the tests don't tell the whole story but they get at it." More important is the fact that "a teacher of low-achieving students who get (*sic*) a small growth in reading scores may win an award while a teacher of high-achieving students who get (*sic*) a larger growth won't." In short, "the teacher of a low-achieving student would be doing better, given what he or she must deal with."

Under the plan, teachers would be eligible for a $2,500 raise if their students' scores meet the targets Summers identifies.[31] The plan has met with considerable opposition from teachers and union officials in the Colonial district.

One district teacher contends, "being an educator goes way beyond test scores." Many in the education world agree, including Wellford W. Wilms, an education professor at UCLA. He claims performance-pay plans fail to improve achievement and are destructive, "encouraging administrators and teachers to cheat by manipulating statistics or by teaching to the test."[32]

While there is little evidence of this phenomenon, Tom Yunker, a member of the Colonial school board, has a more simple explanation. "Teachers are paid above the average for members of this community," he says. "A lot of people don't object to that if the teachers are excellent, because children are important. But people want to see accountability. This is a way to give the better teachers money without giving every teacher money."[33] Says Dr. Eugene Hickok, Pennsylvania Secretary of Education, "Are tests perfect? Of course not, but they're the best measure we have and if students do well on them, they have a much higher chance of success."[34]

California would do well to incorporate the innovative strategies implemented in Colonial and elsewhere. However, the road ahead will not be easy. During the annual NEA convention in July 2000, the union's membership voted overwhelmingly to renounce performance pay in any form, despite the efforts of NEA President Bob Chase to adopt watered-down language in support of the innovative idea. Here in California, Wayne Johnson, president of the CTA, is on record urging, "I hope not one teacher or one association in California will even contemplate any merit-pay proposal."[35] Meanwhile, the loudest voices for across-the-board raises come from districts with the worst results, particularly Oakland.

"I hope not one teacher or one association in California will even contemplate any merit-pay proposal."

– Wayne Johnson, President, California Teachers Association

Implement Differential Pay To Attract Specialists in High-Demand Subject Areas

Another promising alternative for California lawmakers to consider is the implementation of differential pay for the state's teachers. This system would allow principals to increase pay for teachers in hard-to-staff subjects, like math and science, in urban California schools. As previously mentioned, teachers are unevenly distributed across the state. For example, suburban English teachers are in plentiful supply, while inner-city schools are hard pressed to find qualified math teachers. Currently, the state makes no distinction between disciplines, paying all teachers the same. But if California hopes to attract accomplished candidates, salaries will have to reflect supply and demand.

Opponents claim differential pay will only divide teachers, with some earning more than others. Instead, some critics advocate that teachers in underperforming urban schools should receive extra pay for the added challenges they face. As mentioned earlier, one of Governor Davis's proposals includes providing subsidies to candidates who agree to teach in poor, inner-city schools. Some extra pay for teachers who agree to staff schools in the worst neighborhoods of Oakland, Los Angeles, or Sacramento may be warranted. For example, class-size reduction in grades K–3 has impacted poor, struggling districts the most, where qualified elementary-school teachers have been hard to find. Providing salary incentives to candidates who agree to teach in these schools might be one option, but it should not be the primary focus.

Even low-income schools have different hiring demands depending on subject area. As our survey detailed, Oakland and Los Angeles have acute shortages of math and science teachers, while there are fewer vacancies in other subjects.[36] The evidence indicates that districts enrolling students from all income levels could benefit from differential pay. Despite opposition, differential pay has caught on in other parts of the country.

The Florida legislature debated implementing a similar system for the state's teachers, while the school board in Dallas recently agreed to provide incentives for math and science teachers who are in short supply there as well. Differential pay has also been debated before in California.

In 1997, as part of a teacher training bill, Assemblyman Ted Lempert (D-Palo Alto) proposed establishing a pilot program in eight school districts across the state, "to study the effects and effectiveness of differential levels of compensation for math teachers." According to Lempert, this portion of the bill was meant to address the shortage of 3,300 math teachers in 1995–96. While the eventual bill passed the legislature and was signed into law by Governor Wilson, the differential-pay pilot was voted down in committee.[37]

Far from dividing teachers, differential pay would allow public-school compensation packages to further resemble those in other industries. Businesses, universities, and other professions base salaries on different skills and services employees provide. Those professionals whose skills are in greatest demand are often the most highly compensated. While many in the education community maintain that public schools are different, the current system is failing to attract qualified candidates in certain subject areas. Differential pay would allow an innovative approach that is currently practiced in other professions to be tried in K–12 education. Lawmakers should resist the failed route of increasing uniform pay, and experiment with this common-sense proposal.

Streamline the Process of Dismissing Incompetent Teachers

Teachers are the most important factor in a child's education and, as noted, the effects of incompetent teachers on students are devastating. California must no longer tolerate conditions under which it is easier to prosecute a murderer than to dismiss an incompetent teacher. The numbers bear repeating: 227 dismissal hearings statewide over an entire decade, and only one unsettled case out of 13 during the last 10 years in the state's largest district, one with a low level of student achievement. The numbers confirm that dismissing an incompetent teacher is a practical impossibility.

The California School Boards Association recommends a variety of reforms to the current dismissal system, including elimination of duplicative requirements such as the notice to dismiss and the actual written accusation. It also advocates the elimination of the special 45- and 90-day notices, shortening the timelines for hearings, and replacing the three-member competency panel with just an administrative law judge.[38]

District lawyer Diana Halpenny argues that the teacher dismissal process should not include discovery. Teachers should be subject to the same dismissal policies as other public employees, whereby lawyers exchange lists of witnesses and documents, but avert full-blown discovery. Principals should have the major say in dismissal procedures, which should be aligned with Governor Davis's peer review program. Ms. Halpenny suggests adding a component to peer review so that if a teacher's performance is still unsatisfactory after the program's completion, the dismissal procedure is streamlined to "show that person the door."[39]

Provide Teachers with More Professional Opportunities

While it is unrealistic to expect teachers to remain in education their entire careers given today's flexible labor market, more should be done to reduce the attrition rate of high-achieving, beginning teachers. In April 2000, the Education Leaders Council (ELC), an association of state education superintendents, and the Milken Family Foundation, a non-profit philanthropic group, unveiled a pilot plan to redefine the teaching profession by providing more professional opportunities, higher pay, and increased accountability.[40]

ELC and Milken's Teacher Advancement Program will be implemented in fall 2000 at four elementary schools in Arizona. Milken will provide each school with $100,000 to help implement the program, and hopes to extend the program into 10 to 12 states and up to 100 schools in the next five years.

The management plan replaces the traditional district salary schedule with a system in which school administrators will negotiate salaries and reward teachers for student achievement and their increased responsibilities. Tenure would be replaced by renewable three-year performance-based contracts. Aside from providing incentives for boosting student performance, teachers would also receive extra pay for taking on additional responsibilities outside the classroom, such as mentoring younger colleagues and helping with staff development. Under the plan, teachers who take on additional responsibilities and whose students have the best results are eligible for salaries up to $100,000.

The ELC/Milken program is an important development for several reasons. According to recent surveys, teachers value working in schools, like the ones being developed under the plan, that are highly integrated and provide helpful administrative support. Also, the Milken program would make teaching more comparable to other professions in which young instructors move up the salary ladder to higher income levels while collecting additional responsibilities. Further, the salary system reflects major priorities like improving student performance and the quality of teaching.

A greater number of young, accomplished candidates might be inclined to enter this more flexible profession, rather than the current one where higher salaries only kick in after years of service and do not reward excellent teachers for their superior performance. With the added benefits of higher pay and increased responsibilities,

successful teachers would also have the incentive to remain in the classroom rather than transitioning into administration or leaving the profession entirely.

Vaughn Next Century Learning Center's management system, which incorporates performance pay and increased professional responsibilities for teachers, is similar to the Milken plan. As previously mentioned, teachers at Vaughn are highly supportive of the system and demand for teaching slots currently exceeds supply. At the very least, pay systems like Milken's and Vaughn's should be explored to see if they help improve student achievement. Experience with comparable programs suggests that participating teachers are enthusiastic about the plan, while the uniform pay raises and rigid salary schedules currently in place have failed to produce results.

Implementing Broader Choice To Instill Effective Management

The preceding reforms are all important steps to repair the accountability breach that plagues California schools at all levels. Unfortunately, while these reforms have displayed promising results when implemented elsewhere, the state's education establishment has been unyielding in its opposition. What alternative do parents and children have if schools continue to fail? Again, California can look to Pennsylvania for guidance.

As part of his education reform package for 2000, Governor Ridge signed legislation providing failing districts with more options and choices. Under the plan, if more than half of their students are failing in reading and math on the state's standardized tests, districts would be granted wide flexibility to improve achievement. These options include the power to lay off or dismiss staff without adhering to seniority, to hire uncertified teachers, and to privatize educational and other school services. Districts will also be provided with additional funding, but if performance does not improve after three or four years, schools will be taken over by the state. More than 20 other states also provide failing districts greater flexibility, coupled with additional funding.[41]

California would be wise to allow failing districts greater autonomy while demanding results, but it is unlikely that the state's education establishment would welcome such a plan. Moreover, the prospect of a state takeover of schools is not promising for troubled California districts. The California Department of Education's takeover of the Compton Unified School District has been an unmitigated disaster, as have several other scandals that have beset the behemoth state bureaucracy.

Instead, greater parental choice is the only true option for children enrolled in failing California schools. As *The Economist* observed, "It cannot be accidental that the more successful university system is more open to competition. In the poorest areas, there is overwhelming support for vouchers; and millions of Americans are opting out of the school system altogether, choosing to educate their children at home."[42]

If school districts are unable to pick the best teachers, design compensation systems that promote student achievement, and ensure that instructors continue to teach at high levels, then low-income parents should be allowed to find schools that will. Moreover, as Al From and others have noted, California's government-run school system has shown it is better equipped to serve the adults who run it, rather than the children who depend on the schools to be educated. While the state's lawmakers are adept at providing various remedies that tinker around the edges, they are reluctant to enact significant reforms that allow parents, not government, to make important decisions. The state's education establishment is vehemently opposed to any reform that challenges its power.

Furthermore, according to Robert Strauss, an economist at Carnegie Mellon University, increased competition also yields important implications for teacher quality. Says Strauss:

> Hiring teachers for the wrong reason is a primary reason why schools fail. Indeed, if one looks closely at successful school turnarounds, they virtually always include selection of a new manager (principal) and the authority to change staff, i.e. undo previous bad personnel decisions. A close look at what charters and vouchers actually do when they really work indicates that they circumvent historically bad teacher personnel decisions. The charter/voucher strategy creates alternative sources of education services involving different people.[43]

As Strauss observes, increased parental choice expands and improves the teacher market, allowing families to decide which schools and instructors are best for their children.

Critics like the California Teachers Association (CTA) maintain that parental choice will undermine the public-school system and threaten teachers. Yet recent evidence in Ohio suggests that increased school choice actually leads to higher teacher pay. Richard Vedder and Joshua Hall, economists at the University of Ohio, examined more than 600 Ohio school districts. Vedder and Hall find that if a "district goes from no competition to a situation where 20 percent of students go to private schools, average public-school salaries rise by $1,084, or about three percent if the district's average salary was at the state's arithmetic mean."[44] Such an explanation makes sense.

If government schools are forced to compete for students, they are likely to raise teacher salaries to attract the most talented. More important, they may be more likely to implement a salary system that rewards excellence, rather than treating all teachers the same. Unions adamantly oppose school choice, while the evidence suggests increased competition leads to higher salaries, a reality that forced Vedder and Hall to conclude, "what might be in the best interest of rank-and-file public school teachers, in the short run, is in conflict with the political behavior of the leadership of these union organizations."[45]

Currently, California schools have no incentive to offer market-driven salaries. Vedder and Hall maintain that, in the current arrangement, collective bargaining dictates the allocation of resources instead of market forces. California is a case study of

this paradigm. Since collective bargaining was implemented in the state's public school system in the mid-1970s, the range of policies that fall under its scope have expanded from typical labor-management issues to caps on class size and instructional methodologies.[46]

Most important, meaningful reforms passed at the state level are implemented in accordance with district contracts, often diluting their effectiveness. For example, as discussed earlier, while Governor Davis's peer-review plan is supposed to evaluate the state's teachers rigorously, the program is implemented differently in various districts depending on the specifics of the teacher contract. The expanding scope of collective bargaining also enhances the power of unions. When contracts are negotiated, unions and district officials dictate the rules.

Empirical evidence demonstrates that collective bargaining has failed to serve the interests of the teaching profession. Performance and quality have eroded. Some contracts protect failing teachers from evaluations and reviews, while superior teachers are not rewarded for their accomplishments. Most important, as previously mentioned, rigid district contracts restrict principals' management of their own schools. Expanded parental choice would inject market forces into government-run schools. In order to retain and attract students, districts would have to enact policies and reforms that enhance learning, not reward special interests like unions.

"If government schools are forced to compete for students, they are likely to raise teacher salaries to attract the most talented."

Over the last several years, education has moved to the center of California and national policy debates. Increasingly, the public's demand for higher achievement and greater accountability has conflicted with the public-school establishment. The defenders of the status quo maintain that learning cannot be quantified. Objective measures, like basing salary incentives on student test scores, are ineffective, even dangerous, because tests are incapable of measuring how well students are performing.

Similarly, while the public increasingly views tenure and other job protections as shielding incompetent teachers from being held accountable for their poor performance, unions and others claim these measures are necessary to attract candidates into the profession, and to defend instructors against hasty dismissals. Most frustrating, while the evidence mounts that performance and outcome-based measures can have a positive impact on how well students perform in the classroom, unions and other public-education interest groups still claim they do not work.

The public-education establishment—unions, public-school administrators, and many lawmakers—is openly hostile toward change, even when the public demands it and empirical evidence suggests it will work. Innovative reforms like increased principal control, renewable teacher contracts, and performance pay will not take hold on their own. The growing support for parental choice in education is the best prospect for the wholesale reform of all California schools.

Public schools as they currently exist are a policy invention of a previous era. Like all government services, public schools must be reformed to meet the demands and challenges of the current age. As with many states, California's government-run schools are two-tiered, with one system adequately serving the needs of more affluent students, and the other failing to educate a large number of mostly low-income, minority children. A reactionary establishment prefers to confine these children to failed schools rather than to allow parents greater choice. This segregated system, driven by the need to preserve power, has dire implications for any democracy.

Toward a Future that Works

Policymakers need to cultivate a healthy skepticism of claims emerging from the education establishment. As the facts show, teachers are not underpaid and paying them more across the board, with no performance criteria, will not solve current difficulties—and stands to make them worse. Neither is the vaunted teacher shortage supported by the data. But teachers will always remain the primary factor in a child's education.

All children, regardless of race, national background, or income level, can learn if given the chance. If public schools are improperly managed and failing to educate, parents should be free to choose other options that give their children a better chance at success. Indeed, the future of children is at stake.

An education establishment with guaranteed funding and captive clients has for too long claimed to be operating in the best interests of children while the results show otherwise. The dismal reforms of recent decades confirm that failure is expensive, and rhetoric is cheap.

Experience and research have shown which reforms will improve teacher quality, and the time to make those reforms is now, at the outset of a new millennium and century. There can no longer be any excuse for failing to improve teacher quality and to provide students with the education and future they deserve.

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38 *Report by the Task Force on Teacher Tenure*, pp. 11–12.
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